

National Municipal Review

Volume XXXV, No. 10

Total Number 360

Published monthly except August

By NATIONAL MUNICIPAL LEAGUE

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The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *Engineering Index Service*, the *Index to Legal Periodicals*, the *International Index to Periodicals* and in *Public Affairs Information Service*.

National Municipal Review

Editorial Comment

Back to the Cradle

THE idea of career service in government has grown mightily in the last half-century. It was, indeed, little more than an idealistic dream and a cry of protest against the "to the victor belong the spoils" philosophy when, in 1894, civic leaders from many cities met in Philadelphia to diagnose governmental ills, seek remedies and establish the National Municipal League as a clearing house of reliable information and source of inspiration for good citizens on the local firing line.

Today there is general recognition that the services which make up government must be run by technically proficient people. It is a hopelessly indifferent community which will stand for an untrained water superintendent, health commissioner, fire or police chief or, above all, an incompetent school superintendent.

There are plenty of indifferent and malmanaged communities, however. This is due partly to just plain politics and partly to the fact that so many cities which demand competent department heads require no experience at all of the man chosen as chief administrator of the entire operation. Just any good guy who can win a popularity contest will do for the top job.

Happily this condition is changing rapidly and, long before the League completes its next half-century, the council-manager plan or its equivalent is bound to have become stand-

ard for American communities of all sizes. It is being adopted this year by more communities than ever before.

* * *

Improvement in municipal, county and state affairs has been impressive during the 52 years the League has been at work. But this progress does not mean that what is called good government is a generally accomplished fact. Not by a ballot-boxful!

Even though the great majority of men and women in public service are decent, honest and well intentioned, it is not without reason that "politician" remains pretty much a word of opprobrium.

Boston seems content with a mayor convicted of fraud. Chicago is calm despite the obvious inability or unwillingness of the police to protect a citizen who warned them he was marked for underworld assassination. Jersey City is proud of its leader who scuttled a desperately needed modern state constitution because he feared it would curb his tyrannical exercise of power. Men who obviously qualify as important citizens of Memphis haven't the slightest idea, after years under an anti-democratic dictatorship, what self-government means; they simply would not believe that the G. I. revolution in Athens, Tennessee, was due directly to the boss's influence over a state administration which failed to heed the appeal of citizens for

protection of the sanctity of the ballot box from a corrupt political machine allied with that boss. Philadelphia slumbers smugly on, proud of its Liberty Bell and undisturbed by the most blatant nepotism and the open passing out of jobs as political rewards to incompetents.

These few notorious high spots are merely indicative. There are many other places where respected, honored leaders in public positions or behind the scenes have learned the ways of "honest graft" to a degree that makes the early Tammany plunderers look like pikers. Practices of some state legislators, which in private life under the laws they themselves have enacted would be considered stealing, have been exposed recently—and virtually ignored by public and press. Considering the great growth of our communities and of government spending, there probably are as many bipartisan "understandings" (conspiracies) today to bilk the public as there ever were. And there seems little indignation over the common double standard which permits businessmen and lawyers, scrupulously honest in private affairs, to take the anything goes attitude in politics.

* * *

In the face of this well known

villainy in office—and much, much more that never comes to light—it might seem surprising that we have no real muckrakers and that, when a leading magazine sends a writer out to do a series of pieces on our major cities, it apparently equips him with rose-colored glasses.

* * *

But there still are people today who have the clarity of thought to know what is wrong with our cities, states and counties and the courage to speak up.

Many of them will be in Philadelphia to do their speaking at the National Conference on Government November 11, 12 and 13. Notable figures in civic affairs and experts too numerous to mention here will gather there as their predecessors did 52 years ago to discuss the most serious problems of citizenship and government and, as has been the case in the long series of such conferences over the years, to seek solutions of these problems which will help to make our self-governing system real, alive and effective.

Some of the most significant addresses will appear in later issues of the REVIEW but many of the best ideas developed there will be carried away only in the minds of those who hear the lively discussions.

How a State Can Be Managed

Minnesota's seven-year experience with governor-manager plan, pioneered by Stassen, brings substantial progress.

By HAROLD L. HENDERSON*

THE Minnesota Reorganization

Act of 1939 involving the governor-manager plan was influenced in no small way by the *Model State Constitution* published by the National Municipal League some years ago. The League has had greater influence than any other citizen group in promoting adoption of the manager plan as a device to improve the administration of the various units of government in this country. While its use in counties and state governments has not spread to the same extent as in the cities, efforts by the League in this field have been fruitful.

The Minnesota plan was adopted under the leadership of Governor Harold Stassen. It resulted in national recognition of the Governor as a student of governmental administration. The success of the plan has added no little prestige to his status as a national political leader.

The Minnesota plan follows the principles of the council-manager plan of government in so far as is possible without a change in the state

constitution. It provides for a single official charged with the responsibility of planning and managing the business and financial activities of the state government. This official is known as the commissioner of administration though he is usually labelled state business manager.

The commissioner of administration is appointed by the governor for a two-year term—same as the governor's. He in turn does not appoint the various department heads as is done under the city manager form of government.¹ Other than this, the commissioner of administration does have powers equal to or greater than those of most city managers. Certainly no other state has granted a single official the scope of powers assigned to this officer in Minnesota.

Most of the state reorganization plans of the past two decades failed to relieve the governor of any sizable portion of his back-breaking duties. Since in this respect these plans failed to reach their major objective dividends in efficiency and economy have been disappointing. This indictment cannot be made of the Minnesota reorganization plan. Today only major policies in respect to finance and business operation of the state are now taken to the governor's office for decision. Department heads rare-

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¹Consideration was given at the time to the constitutional question as to whether the appointing power could be shifted from the governor to the commissioner.

ly appeal to the governor over the head of the commissioner of administration. In fact, a governor may be absent himself from his office, even from the state, for weeks without causing the administrative machinery to miss a stroke.

The governor is now free to emphasize the more important executive and legislative activities of his office—being the political leader of his party, serving as the ceremonial head of the state, taking active part in placing his own as well as the party's platform on the statute books during the legislative session. During election time he is relatively free to present his accomplishments as well as proposed programs for approval or disapproval of the voters.

Budget Control Is Key

The key to the commissioner of administration's powers arises out of his authority to prepare the biennial budget for the governor and to approve quarterly allotments of funds to the various departments. This latter duty definitely fixes on the commissioner the responsibility of executing the budget and planning the finances and business activities.

Legislative appropriations are not legally effective until the commissioner has approved or modified the quarterly allotments requested by the various departments. Further, the law includes an unusual provision which requires the commissioner to reduce allotments so as to keep expenditures within revenue receipts. This budget-balancing provision is rather drastic but is the major link in the commissioner's chain of powers as state business manager. The allot-

ment control system covers all proposed expenditures even though no appropriation is made by the legislature. This includes dedicated funds such as those for highways, debt redemption, interest payments and trust funds operations. Expenditures of the courts and the University are exempt by the state constitution.

The commissioner has many powers other than allotment and budgeting that enable him to keep expenditures under control, coordinate the various state activities, and encourage departmental planning. They include the fixing of limitations as to the number of merit salary raises during the year, approval of all new positions, approval of all contracts including those for highway construction, authorization of uniform regulations with respect to travel, hotel and meal allowances, approval of all departmental plans for reorganization, and approval or rejection of compensation schedules as submitted by the Civil Service Department.

In addition he is assigned such staff or overhead activities as the purchasing of all printing supplies and equipment; the unusual job of renting and leasing all land, property and equipment; adopting standard specifications for all equipment and supplies; operating a central store room, central mimeograph and duplicating service, central mailing service and central equipment repair shop; and custody and maintenance of public buildings with authority to assign office space.

He supervises the construction, maintenance and operation of all state power, lighting and heating

plants in the various institutions and teacher colleges and also keeps a perpetual inventory of all state property and equipment and has the right to transfer or sell all surplus equipment.

An architectural engineering division in the commissioner's office prepares plans for and supervises the building of state buildings as well as all major repair jobs. The division prepares the estimates for all repairs, construction and improvements included in the budget.

It is rather obvious from this list of powers that the commissioner has sufficient authority to do a real job of managing the state government.

No More Red Ink

Major accomplishments of the new organization plan are many. In the first place the state treasury has ended each year on the black side of the ledger. This has been a new experience for Minnesota and was not an easy task at the outset. The 1939 legislature, operating under the old system, again granted appropriations in excess of estimated receipts. It was necessary for the newly appointed commissioner to go into action immediately and reduce allotments for the two-year period. This reduction was not done on an arbitrary or percentage basis, but after careful analysis of all the facts. It was a lucky break for the new plan since it quickly demonstrated to the public the value of the new system of financial control.

Another instance of sound fiscal practice occurred during the closing days of the 1945 legislative session. The legislature had gone on a spend-

ing spree. During the closing days of the session the commissioner's office pointed out that revenue receipts would be five million dollars short of proposed appropriations. The legislature met this challenge and the highly unpopular state mill levy on property was increased for the first time in many years so that the budget would be in balance.

In respect to purchasing supplies and equipment, letting of highway contracts, and sale of surplus equipment, the state's business now goes to the lowest bidder, after legal advertisement. An additional safeguard is provided in that payments of any type cannot be made unless the obligation was previously encumbered on the auditor's books. Public confidence in the method of purchasing and contracting has been restored.

Through the perpetual inventory system idle equipment valued at thousands of dollars has been uncovered, repaired for the use of various departments, or sold under sealed bids. Last year such sales brought in \$71,584; \$50,000 of surplus equipment was made available for department use.

Supervision of all power plants by a specialist in this field has resulted in a 50 percent reduction in use of fuel and oil. Plant operating costs are charted and observed each month. Installation of mechanical equipment has extended the use of inmate labor and also reduced costs to a material degree. A central repair shop has also contributed to economical operation.

The architectural and engineering division has standardized all electrical and plumbing works throughout all

state-owned buildings, thus eliminating need for a larger number of repair parts. By preparing plans and specifications for repair jobs and minor improvements competitive bidding has been increased. Inspection of all projects has been carefully carried out by this division.

The complete centralization of all purchasing resulted in a 10 percent saving the first year, thus the accumulated saving to date reaches a large figure. Specifications have been standardized. The state now has a purchasing system equal to the best standards of both private industry and government.

Shady Deals Eliminated

Previous to 1939 there were a number of shady deals in respect to highway contracts for which state officials were later imprisoned. Under the new law the commissioner of administration must give final approval to the awarding of all highway contracts. There has been no criticism of highway contracting recently.

The commissioner has made a special point of eliminating dedicated or revolving funds. The practice of dedicating receipts to some special purpose is, of course, a great handicap to sound financial procedure. While there are still far too many, over 50 dedicated accounts have been eliminated during the past six years. Of the remaining dedicated funds, a 5 percent charge is made for overhead services such as purchasing, accounting, legal work, personnel selection, etc. These charges are placed in the general revenue fund and tend to discourage any further dedication. The Supreme Court sus-

tained this action in respect to highway dedicated funds.

Departmental officials are constantly seeking better methods and practices, introducing better equipment and machinery, modifying organization and shifting employees to decrease their costs and improve their effectiveness. This attitude is largely the result of the leadership of the commissioner, arising from the work of his research staff. This attitude has continued for seven years and is a decided change.

Results have been so well recognized by all citizen groups that the reorganization act has not been an issue in any political campaign and no bills have been offered in the legislature to repeal or modify it.

It should be stated that the enactment of a sound civil service act was a definite part of the reorganization program in 1939. It is doubtful if the legislature in Minnesota would have extended the powers of the governor's office without the restrictions involved in a comprehensive civil service system. The merit system in Minnesota extends up to and includes the deputy or assistant commissioner in most departments. Even the assistant business manager is protected by civil service regulations. Commissioners or department heads may come and go but the technical administration of a department rests on individuals selected through a merit system.

A great part of the improvement in state administration is a result of the new civil service system. The Civil Service Department is closely connected to the office of the

commissioner of administration since he is required to approve all basic salary schedules, the number of merit raises and all new positions. The Minnesota merit system now ranks with all the best in the country. It is constantly guarded by a citizens' State Civil Service Council composed of representatives of the major civic groups of the state.

Audit Confusion Ended

The first draft of the reorganization bill provided that the elected state auditor should become the post-auditor and that pre-auditing and all accounting work now in the auditor's office be assigned to the Department of Administration. The act as passed failed to follow this procedure but the usual mistake of confusing pre-auditing and post-auditing was not made. A new official called the public examiner (appointed by the governor for six years—three times longer than the chief executive) was created to handle the post-auditing of various state departments as well as the local units of government. He files his post-audit reports with the legislative body, thus following the fundamental principle of forcing the executive branch to account to the legislature as to whether the funds have been spent in accordance with legislative directions.

The reorganization bill provided for the appointment of a public examiner by the joint legislative bodies until it was apparent that the legislature would have adjourned before the law became effective. There is still a feeling in Minnesota that this original provision should be

enacted into law since the legislative body still feels that the public examiner is a part of the executive branch of government.

The 1939 reorganization act accepted the principle of replacing administrative boards with a single appointed official. It solved the problem of semi-legislative and judicial powers in the field of taxation by creating a part-time Board of Tax Appeals in addition to the office of commissioner of taxation. One early draft of the bill provided for an administrative court which would handle tax appeals as well as appeals from all other departmental actions. Such a court would provide for a simple and quick review of all rules and regulations and would check the abuse of excessive or unfair rule-making power by departments.

Many students of state administration have been disappointed at the failure of Minnesota to experiment with this type of administrative law. The problem is especially acute on the federal level but it would be far better for some state to undertake the original experimentation with an administrative court.

An unfortunate compromise was made in the 1939 reorganization act by placing the accounting system in the elected state auditor's office. The accounting system is the main instrument by which a business manager can function effectively in any organization, public or private. It is obvious to anyone watching the budget and allotment system in operation that the budget officials must have immediate and free access to accounting records. During recent

years the state auditor has belonged to the same political party as the governor and there has been no major friction between the two departments. A state auditor of a different political group, however, could easily hamper the operation of the present plan. The defect must be eliminated if the state manager plan is to be on a sound permanent basis.

Reorganization Resisted

Minnesota has not completely streamlined its organizational setup though the 1939 reorganization act made considerable progress in this field. The original draft of the reorganization bill provided for the abolition of practically all boards and the consolidation of state activities into thirteen major departments. Many legislative leaders felt that the reorganization bill was too broad in scope and that consolidation of departments could be better handled in 1941. Nothing was done in 1941 or since, however, though consolidation bills have been presented at every session of the legislature. Lack of action is due largely to entrenched officials.

It is quite clear from the Minnesota experience that consolidation of departments is more likely to take place before an incoming governor has made his cabinet appointments. Failure to streamline the organization plan is not so serious now as the commissioner of administration has full financial control over all departments including the major independent boards and commissions.

One important activity assigned to the commissioner's office has never been fully exploited. This involves the field of public relations and, par-

ticularly, the important duty of informing the citizenship about the activities of their state government. State governments throughout the country have been woefully lax in this field. One need only glance at the mass of uninteresting state department biennial reports. Cities are twenty years ahead of the states in the type and quality of their annual reports.

The reorganization act gives the commissioner of administration the right to revise departmental reports for the purpose of making them more useful and informative to the public. This type of work would require a specialist in the field of public relations but the legislature has not been asked for funds to create such a division.

It is true that a governor out of sympathy with the present plan of administration could make it largely ineffective, but the public would quickly react unfavorably to any such move. Minnesota's next step in the field of state administration might well include a constitutional change embodying the basic features of the present plan. It would also be of interest to experiment with a legislative-appointed manager.

There are a number of questions on some phases of the plan that need additional evidence or even new legislation. The legislature itself might well finish the job of departmental consolidation into not more than thirteen or fourteen departments, provide for co-terminous or even indefinite terms of office for all department heads, abolish many

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Germany Faces Democracy

Self-government gradually returning as free elections are held in U. S. zone and military relaxes control of officials.

By LIEUTENANT COLONEL HOWARD P. JONES
and ROGER H. WELLS*

IT MIGHT not be inappropriate to term what is happening here as the American revolution in Germany—at least in so far as the three *Laender* (states) of Bavaria, Greater Hesse and Wuerttemberg-Baden, comprising the U. S. Zone, are concerned. Whatever may be the verdict of history on the development of German institutions and the success or failure of the democratic way of life in a country so long wedded to authoritarianism, it can never be said that it failed for lack of the machinery and tools of democracy. These, at least, we have supplied.

Representative government in Germany has been built from the bottom up during the past months through an election schedule that would seem heavy even in America. In January the *Gemeinde* (municipalities) council elections were held; in April, the *Landkreise* (rural county) elections were held. Both of these involved voters of the rural areas and smaller communities. On

May 26 came city elections in which city councils were elected in 40 cities in the three *Laender*, U. S. Zone.

Finally, in the elections of June 30, 5,554,407 registered German citizens voted in the first election to be held at *Land* (state) level—and the first which called the entire electorate to the polls—to choose delegates to *Land* constitutional conventions. With this election the task of drafting basic documents to preserve individual freedoms and establish the framework of representative government was begun.

This program has been based on the fundamental idea that successful democratic government can be established only when the Germans are made responsible for their own affairs by: (1) setting up machinery which will enable them to govern themselves; (2) withdrawing Military Government from a participating to a supervisory role.

The Germans took to this heavy election diet surprisingly well. Table I shows a voter participation in all four elections that might well be envied in most sections of the United States. The slight falling-off in percentages for the more recent elections may be due to a number of causes but probably results from a greater interest in local affairs.

Elections of *Land* constitutional conventions on June 30 were conducted according to proportional

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representation—as were the earlier local elections—whereby each party received a number of seats proportionate to the votes cast for that party.

To discourage splinter parties, the law for these elections provided in Wuerttemberg-Baden and Greater Hesse that parties which failed to poll 5 per cent of the votes cast received no seats in the constitutional assembly. Only one “splinter” case developed: a local party in Offenbach, Greater Hesse, polled some 8,000 votes out of a total of more than a million and a half and thus failed to qualify under the 5 per cent rule.

In Bavaria the 180 members of the constitutional convention were apportioned among the five *Regierungsbezirke* (government districts). For these positions 333 candidates from the five main parties competed. Each district was divided into *Stimmkreise* (election administrative areas) corresponding to the number of seats to be filled. Each party was allowed to nominate only one candidate for each *Stimmkreis*, but a vote for that candidate was also a vote for his party.

The quota of votes needed for election was determined as follows: The total number of valid ballots in the *Regierungsbezirk* was divided

by the number of seats plus one. This quota was then divided into the number of votes which each party got throughout the *Regierungsbezirk*, thus giving the number of seats which the party won. If the party won more seats in a *Regierungsbezirk* than it had put up candidates, these unfilled seats went to candidates of the same party in other *Regierungsbezirke* who were not elected by the vote in their own.

In Bavaria the Christian Social Union (called the Christian Democratic Union in the other two states) cast 1,554,000 (55.7 per cent) out of 2,690,000 votes cast, and elected 109 (60.6 per cent) of the 180 seats in the constitutional convention. With this clear majority that party will have the principal responsibility for framing the state's new constitution.

The P. R. method of election in Greater Hesse and Wuerttemberg-Baden was different from that of Bavaria in some details. Greater Hesse provided for 64 delegates elected from 64 districts—apportioned among the three *Regierungsbezirke* of Darmstadt (27 seats), Kassell (eighteen seats) and Wiesbaden (nineteen seats)—in accordance with the total vote cast in each. Twenty-six delegates were elected from the *Land* at large and allotted

TABLE I: PERCENTAGE OF REGISTERED VOTERS VOTING

| | <i>Gemeinde Elections Jan. 1946</i> | <i>Landkreis Elections Apr. 1946</i> | <i>Stadtkreis Elections May 1946</i> | <i>Combined Stadt- und Landkreis</i> | <i>Constitutional Assembly Elections June 1946</i> |
|--------------------|---|--|--|--|--|
| Bavaria | 87.0 | 72.4 | 87.7 | 77.4 | 71.8 |
| Greater Hesse | 85.3 | 75.7 | 79.0 | 76.6 | 71.1 |
| Wuerttemberg-Baden | 85.0 | 61.5 | 79.1 | 67.5 | 68.2 |
| Total U. S. Zone | 86.0 | 71.6 | 83.0 | 74.9 | 70.9 |

to each party in accordance with its total vote throughout the *Land*. Wuerttemberg-Baden chose 85 members from 26 constituencies plus fifteen elected at large.

Table II shows the popular vote polled by parties in the three states for the April, May and June elections. One of the observations bound to occur to anyone who analyzes these votes is the apparent extent to which the German voters simply relapsed into pre-1933 patterns. New leaders have not yet developed and the lack of public discussions through the Nazi years has led to a kind of political vacuum.

Final draft of the constitution of each *Land* must be submitted to the Office of Military Government for Germany (US) for approval. Military Government reserves the right

to disapprove a *Land* constitution in whole or in part because of provisions which are undemocratic, contrary to American or Allied policies, or prejudicial to the future of the Reich.

After approval the *Land* constitution will be submitted to popular vote some time this fall. On the same date, the *Landtag* will be elected and all other *Land* officials whose election may be provided for by the constitution.

A movement for a constitution for the city of Berlin is also under way. Early last December a legal Committee of the Berlin *Magistrat*, to which were added representatives of four political parties, proposed a provisional constitutional statute which is now in the final stages of revision.

Turning to the earlier elections, it may be of interest to analyze them

TABLE II: POPULAR VOTE BY PARTIES

| | <i>Social Democratic Union^a</i> (<i>Christian Social Union</i>) | <i>Social Democratic Party</i> | <i>Communist Party</i> | <i>Others^b</i> |
|--|---|--------------------------------|------------------------|---------------------------|
| Bavaria | | | | |
| LK & SK Elections | 1,679,629 | 780,676 | 135,266 | 43,556 |
| Land Constitutional Assembly Elections | 1,554,183 | 785,706 | 145,216 | 205,700 ^c |
| Greater Hesse | | | | |
| LK & SK Elections | 553,338 | 647,226 | 140,438 | 109,699 |
| Land Constitutional Assembly Elections | 550,342 | 655,090 | 144,272 | 128,669 |
| Wuerttemberg-Baden | | | | |
| LK & SK Elections | 459,240 | 326,810 | 93,608 | 141,661 |
| Land Constitutional Assembly Elections | 474,878 | 374,739 | 116,521 | 195,440 |
| Total U. S. Zone | | | | |
| LK & SK Elections | 2,692,207 | 1,754,712 | 369,312 | 294,916 |
| Land Constitutional Assembly Elections | 2,579,403 | 1,815,535 | 406,009 | 386,358 |

^aSocial Democratic Union in Wuerttemberg-Baden and Greater Hesse, Christian Social Union in Bavaria.

^bLiberal Democratic party in Greater Hesse, Free Democratic party in Bavaria, *Deutsch Volks-Partei* (German People's party) in Wuerttemberg-Baden.

^cIn the *Land* Constitutional Assembly election in Bavaria, the Economic Reconstruction Party polled 135,128 votes.

in some detail. On January 20 and 27, 10,429 German communities elected local mayor-appointing councils of from four to twenty members and 5,628 Bavarian towns of 3000 or less elected mayors by popular vote.

Over 85 Per Cent Vote

Bettering figures for many local elections during the Weimar Republic, and exceeding all expectations of Military Government officials, more than 85 per cent of the eligible voters in communities with less than 20,000 population went to the polls in the first free elections in fourteen years. The January 20 elections were held in seventeen sparsely settled *Landkreise* in Greater Hesse as a special experiment to test election and reporting machinery before the big election day of January 27.

It is not possible to determine exactly how many persons who were eligible to register failed to do so, but the slight difference between estimates of population of voting age meeting residential and citizenship requirements and the number of persons registered indicates our efforts to awaken a sense of local responsibility among the Germans have met with considerable success. The difference between potential and actual eligible voters becomes even less when it is remembered that eligibility, under directives, is a *selective* process, and there has been a deliberate disenfranchisement of a portion of the population on grounds of previous political activity and affiliation.¹

¹The chief qualifications for voting in the January elections were laid down in a November 23 directive. The number of Germans disfranchised by the residence qualifications (six months in

The total number of councilors elected in the three *Laender* was 70,689. Since the number of candidates was much larger than the number of seats filled, the magnitude of the job thrown upon Military Government to determine whether they were politically acceptable was tremendous.

On the whole, the administration of these elections and the operation of the election machinery was successful. Irregularities in the electoral process were reported in only fourteen of the 10,429 *Gemeinden*, (municipalities) and most of these were corrected by Military Government before election day. The proportion of spoiled ballots was larger, however, than in elections prior to 1933. Under the Weimar Republic, spoiled ballots did not usually exceed one per cent of the total. In the January 1946 elections, from 3 to 5 per cent were invalid. Ignorance of instructions and carelessness accounted for most of them. The number of votes deliberately invalidated as a means of registering a protest was so small as to be negligible.

The *Gemeinde* council elections were conducted according to the list system of proportional representation with local variations from *Land* to *Land*. In Baden, Bavaria and Hesse the voter was allowed to vote only for one list of candidates. In Wuerttemberg he could vote for candidates

Greater Hesse; one year elsewhere) has not yet been determined but it was undoubtedly considerable. As to the number disqualified for Nazi activity, a preliminary estimate shows a total of 326,354 or between 6 and 7 per cent of the electorate.

whose names were on different party lists—the so-called “free” list as contrasted to the “bound” list system. The laws of both Bavaria and Wuerttemberg, however, provide that, where only one valid list of candidates is filed or there is no list at all, election takes place by majority vote and each voter may write in the names of any candidates he chooses. As a result, many councilors were elected without party label. Moreover, any group was permitted to put forth a list of candidates provided it met the requirements laid down for the regular political parties. Such a provision enabled nonpartisan lists, known simply as *Liste Schmidt* or *Liste Wolff*, to compete with the regular party nominees.

No Real Party Battle

Since the elections were confined to communities of 20,000 population or less, the chief task of the voter was to choose competent officials to administer local affairs—there were no out and out party battles. There are two reasons for this: (1) elections came too soon after political activity was permitted on a *Land* basis to allow any really potent crystallization of other than purely local party activity, and (2) within the subjects allowed for discussion there was no room for any very important differences of opinion which might have fostered party alignments. What voting was done on a purely party label basis was due more to the memory of what the party stood for in the past and what it and its adherents are likely to stand for in the future than to any choice between

party platforms or programs as presented at the elections.

The Christian Democratic Union, called the Christian Social Union in Bavaria (CDU-CSU), emerged as the dominant party in rural areas of the U. S. Zone with an over-all total of 37 per cent of the votes cast and 33 per cent of seats won. CDU-CSU strength, polling heaviest in Catholic areas, is concentrated in Bavaria where it obtained 43 per cent of the votes and 37 per cent of seats, and in Baden where it received 54 per cent of the votes and 73 per cent of the seats.

Independent and nonpartisan votes, together with miscellaneous smaller parties, account for a zonal total of 30 per cent of the votes cast and 49 per cent of the seats won. The greatest concentration of independent votes occurred in Wuerttemberg and can be accounted for by the write-in policy prevailing there. The Social Democratic party (SPD) was the second strongest specifically labeled party in the rural areas. Its zonal total, 24 per cent of the votes cast, gave it an over-all 15 per cent of the seats. The strongest SPD *Land* was Greater Hesse where the party polled 42 per cent of the vote, 40 per cent of the seats and victory over the CDU.

Although the Liberal Democratic party (LDP) received only 2.4 per cent of the votes as against 3 per cent for the Communist party (KPD), the Liberal party won 1.4 per cent of the seats, beating the Communists by a small margin of one-half of one per cent. This was due apparently to the greater concentra-

tion of LDP votes and a scattering of KPD votes.

The weakness of the parties of the left was not unexpected. Marxism has traditionally had a greater following in cities than in rural communities. The unknown factor in the elections is that almost half the councilors were elected as non-partisans, write-ins or on miscellaneous small party tickets. Until the composition of this group is known more fully, the true alignment of political forces can only be surmised. It seems likely that these councilors represent the center and right; in other words, there are probably few Socialists and Communists among them. It remains to be seen whether this large mass of voters will crystallize into one or more large parties, join the Christian Democratic Union or continue as splinter groups. In any event, what is clear is that the Christian Democrats plus non-partisans, write-ins and miscellaneous hold almost 83 per cent of all the seats. Thus the center and the right have demonstrated that they are political factors to be reckoned with in the American Zone.

The distribution of seats in this first election is shown in Table III.

Women were a considerable majority of the qualified electors, ranging as high as 65 per cent in some areas. The number of women candidates in the elections, however, did not reach one per cent.

In those Bavarian towns where mayors were directly elected, 86 per cent of the successful candidates were incumbents appointed by local Military Government.

Merit System Bolstered

Democratization of the civil service is the next important step taken by American Military Government on the way to genuine democracy in Germany. The German civil service, acknowledgedly efficient but equally bureaucratic, has remained little affected by four political revolutions. Under the Nazis only approximately 20 per cent of the people who worked for the government were civil servants and even within this select group, arbitrary ceilings prevented the rise of an able civil servant from the bottom to the top of the ladder, always excepting those with party influence.

TABLE III: DISTRIBUTION OF SEATS, GEMEINDE ELECTIONS

| | Seats | Percentage of Total seats |
|--|--------|------------------------------|
| Christian Democratic Union (In Bavaria, Christian Social Union) | 23,894 | 33.8 |
| Social Democratic party | 10,635 | 15.0 |
| Liberal Democratic party | 893 | 1.2 |
| Communist party | 668 | .9 |
| Other parties, nonpartisans, and write-ins | 34,599 | 49.0 |

DISTRIBUTION OF SEATS BY LAENDER

| | Bavaria | Baden | Wuerttemberg | Hesse |
|----------|---------|-------|--------------|-------|
| C. D. U. | 16,889 | 1,827 | 1,173 | 4,005 |
| S. P. D. | 3,727 | 445 | 779 | 5,684 |
| L. D. P. | 146 | 93 | 379 | 275 |
| C. P. | 287 | 31 | 95 | 255 |
| Others | 24,218 | 106 | 6,204 | 4,071 |

Axioms of popular government that would be regarded as trite sayings in America are unknown to Germans. In its program of revamping the German civil service, American Military Government is stressing the following principles:

1. The state exists to serve the people, not the people to serve the state. The civil servant thus is literally the servant of the people, not their master. (The Germans as a group simply don't comprehend this.)

2. It is essential in a democracy for civil servants to serve the public as a whole, and not the interests of a particular group or party; therefore, civil servants shall be free from political interference and shall restrict their political activity to casting votes and inactive membership in political parties.

3. A democratic government serving the people is entitled to the most highly qualified personnel available to meet its requirements. All appointments and promotions in the civil service of the state, its political subdivisions and public corporations should be made according to merit and fitness to be ascertained, so far as practicable, by competitive examination.

4. Every official and employee occupying a permanent, classified position in a German government agency shall be a member of the civil service.

5. It is basic to a democratic administration that the public be fully informed at all times of the activities of official agencies and of civil servants. Matters on which information cannot be given should be specifically determined by law and

restricted to a minimum; all other matters should be open to public inspection. This does not mean that any civil servant may make statements to the press at any time he wishes, but rather that arrangements should be made by every official agency, no matter how small, to make sure that the press and other agencies of public information are afforded the opportunity to inform themselves and have adequate access to policy-making officials.

6. The power of the state Civil Service Department over the appointees of local government shall be clearly defined to make certain that none of the prerogatives of local self-government is curtailed thereby.

7. Some administrative procedure shall be established to provide for the hearing of grievances of employees by others than their direct superior.

Some of these sound trite indeed to American ears but the average German citizen has no real understanding of what we mean by democracy—he has literally no comprehension of his own relation to the government as something which is within his own power to control. He still thinks of The Government as an organized authority which tells him what to do. The civil servant, for his part, remains unchanged in his attitude toward the public. He still regards himself as the representative of the state whose job it is to tell the people what to do. He is crisp, efficient, intelligent, bureaucratic—oh, so bureaucratic. He has more of the military in him than the civilian. With the rest of the German public he has much to learn.

First Break in New Hampshire

Conway adopts council-manager plan, two other places go half way in modifying state's traditional town meeting.

By LASHLEY G. HARVEY*

IT IS news when New Hampshire breaks with tradition. At its annual town meeting in March, Conway voted to adopt the town manager system. It tossed into discard the traditional town government form which has served New Hampshire towns since colonial days and which, since 1791, has remained practically the same. Changes in government come slowly in New Hampshire and only after a great deal of deliberation. It is said, however, that although reforms may be slow, once the people agree to a change they are inclined to give it a fair trial and rarely do they return to the old. For this reason Conway's action is especially significant.

Town democracy was developed in New Hampshire when the state was entirely rural—when there was a fear of giving too much administrative authority to any one person and when it was thought that by a division of administrative functions into the simplest tasks any voting citizen would be capable of performing them.

During the eighteenth and nineteenth centuries urban settlements within the towns grew rapidly and

presented all the technical problems connected with a demand for better streets, water and sewer lines, fire protection, generation of electrical power, police protection, libraries and parks. In the nineteenth century urban settlements tried to solve these problems through the incorporation of cities (1846) and the creation of "precincts" for utilities (1849), later called village districts. This helped to eliminate rural opposition to urban improvements but did not improve the service much when the town administrative pattern was carried over into the urban governmental structure.

Two movements developed simultaneously in the twentieth century: (1) toward consolidation of administrative offices in the hands of a few administrators who were held responsible at the annual town meetings, and (2) the manager movement for both cities and towns.

The consolidation movement is less obvious. A recent examination of town officers reveals that in the 224 towns and ten cities within the state, in four instances one officeholder is performing the duties of three officers and in 86 instances one officeholder is exercising the duties of two offices. In practically all cases these individuals were elected to more than one office. Actually, in many small towns all the administrative offices are held by from three to five persons—frequently several being from the same

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family. In Epsom, Bennington, Groton and Lempster three persons hold six offices.

When one reads the statutes and discovers that towns, irrespective of size, must elect three selectmen, a clerk, a treasurer, a tax collector, three supervisors of the check list, auditors, and assessors, and may elect a dozen other officials, including boards and commissions, the natural conclusion is that such a division of administrative authority must be unworkable. In many towns it has proved unsatisfactory but in others the consolidation of offices has partially solved the problem.

Early Interest Shown

The manager movement in the United States did not go unobserved by New Hampshire although adoption came slowly. In 1925 a number of interested citizens in Lebanon, dissatisfied with their town government, made a study of the town manager system in operation in Springfield, Vermont. They were so pleased with the Vermont manager experience that they asked the state legislature to authorize adoption of the town manager system for Lebanon. A proposed bill, consisting of large segments of the Vermont enabling act, changed slightly to fit New Hampshire conditions, was presented. The legislature complied with the request, but the Lebanon group failed to obtain sufficient support for adoption.

Four years later Wolfeboro and Plymouth asked for similar legislation and the legislature took the 1925 statute, stripped it of the measures which dealt specifically with Lebanon, and provided an enabling statute

for any town that might want to adopt the plan. Adoption was made simple. Upon request of ten or more qualified voters the selectmen are required to include the question of adoption of the manager plan in the warrant at the annual town meeting. A majority vote at the meeting is all that is required. When it is realized that not half the eligible voters usually attend the annual town meeting it is apparent that adoption was made easy from the start.

•A similar statute, permitting cities to adopt the manager plan, was passed by the same session of the legislature. It provided for adoption by the voters of any city at the annual or biennial election upon petition of 3 per cent of the eligible voters.

From 1929 to 1946 not a city or town voted for a manager. It should not be assumed, however, that there was a lack of interest in the plan. It was discussed and deliberated actively in ten towns and three cities.

In 1939, with the leadership of the New Hampshire Federation of Taxpayers' Associations, the movement became more militant. In that year a taxpayers' association was formed in Concord in opposition to the existing city government. The taxpayers brought pressure for a survey of the city's administration by Public Administration Service and caused the mayor to establish a committee for study of the possibilities of a revised charter. Rather than revise, the committee proposed a new charter which provided for a mayor with managerial powers to be elected by the board of aldermen. The proposal tried to accomplish a num-

ber of other changes and aroused a great deal of opposition, resulting in the failure of the legislature to approve the committee's recommendations.

The taxpayers' associations, under the leadership of John D. Langmuir, were undaunted by the Concord failure to obtain a charter with the features of the manager plan. In Lebanon the manager plan was continually kept before the public, while Portsmouth, Wolfeboro, Claremont, Derry, Gorham, Candia and Conway debated it intermittantly.

Despite pressure of the State Federation of Taxpayers' Associations, Conway failed to adopt the plan in 1944 by only a few votes. Conway's taxes for a decade had shown a rapid increase, until in 1945 it had the fifth highest tax rate within the state (48.20). A group of 40 citizens, determined to bring about efficiency and economy, proposed adoption of the 1929 town manager statute. Opposition was strong, principally from officeholders, but after a vigorous campaign the proponents edged over a victory at the town meeting by 211 votes for, 202 votes against.

Sponsors Are Determined

Ordinarily a victory by such a small margin would doom the experiment to failure, but the committee which sponsored the plan is determined to make it work. Nat Stevens, a resident state highway engineer, was elected as the first town manager. While this is his first experience as a manager he has had extensive engineering and public works experience both with private construction com-

panies and public works. He has already established himself as a capable administrator in Conway. It is predicted that he may save up to \$10,000 of this year's appropriations entirely by more efficient methods.

The year 1946 may well be termed a "red letter" year in town government reform in New Hampshire. Not only did Conway vote for a manager, but Milford and Hanover have taken steps in this direction. Milford voted to consolidate all utilities within a public works department, and has appointed a sanitary engineer as public works superintendent. Hanover voted to allow the selectmen to choose a "town assistant", and they have employed a Dartmouth College graduate to act in this capacity. These two communities seem to prefer to "back into" the manager plan.

Town meetings in Claremont and Bristol have set up committees, to consider the manager plan and report back to their 1947 town meetings. In Manchester—largest city in the state—the Taxpayers Association is actively supporting the manager idea.

The New Hampshire town manager statute provides for the retention of the town meeting. It also continues the practice of electing the selectmen, clerk and tax collector. By authorizing the selectmen to choose a manager it permits a consolidation of all other administrative departments, makes the manager responsible for drafting the budget, making or approving all purchases, establishing an accounting system and selecting all administrative personnel of the departments under his jurisdiction. He is specifically charged with the opera-

tion and maintenance of all roads, streets and utilities. The city manager statute provides for similar responsibilities with the mayor and aldermen designated as the authority to select the manager.

As discontent with municipal services, inefficiency and high governmental costs increases New Hampshire towns and cities are watching the Conway experiment closely. The success of the manager plan in Maine's 71 and Vermont's 27 municipalities has given New Hampshire enthusiasts a great deal of ammunition in their campaigns for the plan. The next few years may witness a great extension of the plan in this state.

HOW A STATE CAN BE MANAGED

(Continued from page 513)

more dedicated funds, eliminate all boards and commissions except in an advisory capacity, place licensing boards under the Department of Education, raise salaries of commissioner of administration and department heads to a level comparable to private enterprises, provide for legislative appointment of post-auditor (public examiner), transfer accounting activities to commissioner of administration, experiment with an administrative court, give commissioner of administration authority

to discharge department heads as well as authority to appoint them with governor's approval.

In spite of defects and the need of some new legislation, Minnesota has made substantial progress during the last seven years in keeping its fiscal picture in balance, in improving its business methods, and in managing the various activities of the state government. The legislature is far better informed as to the financial problems of the state and, therefore, is in a position to do a far better job of appropriating funds and raising revenues. The business of the state is now done in the open and the public and press are fairly well aware of what is taking place at the Capitol.

The governor, through the office of the commissioner of administration, is now responsible for the entire administration of the state government even though many boards, commissions and other elected state officials were not abolished in the reorganization act. Citizens are now in a position to hold the governor responsible if anything goes amiss.

It is obvious from the record that Minnesota has contributed materially to the science of administrative management in the field of government. There is ample reason to believe that Minnesota will continue to contribute to this movement at the 1947 legislative session.

City Study of Utilities Urged

Progress imperiled by local authorities' neglect of long range plans for power, water, gas and transportation.

By JOHN BAUER*

IN THE extensive discussions of postwar municipal planning that have taken place during the past two years, emphasis has centered on the fundamental necessity for every city to assume responsibility for long-range industrial and commercial development, as well as for progressive living conditions, within its community or metropolitan area.

The city is the only agency that can legally or practically exercise over-all powers in the interest of the locality as a whole. It should strive for conditions under which advancing standards of living can be attained and local industry can expand and compete effectively in national and world markets.

The city should be concerned particularly with providing directly or indirectly the variety of services that are essential to modern economic and social life. Its community function requires open-minded municipal surveys, development of policies, and adoption of definite programs to promote general welfare and progress.

Among the services to be considered are the so-called public utilities—electric power, gas, water and

transportation. These are public services which are essential to all industry and business and to homes. They must be adequately supplied at minimum available cost. To that end each city should assume responsibility for plant adequacy and efficiency along with proper organization, control and management. If this responsibility is ignored, if utilities are not kept up-to-date, and if rates are higher than need be under modern technology, the locality will suffer the consequences. The city must provide the best possible conditions for the locality to compete effectively with other regions in the struggle for progress.

To provide such favorable conditions, every city should make a thorough survey of its utilities and consider objectively what improvements are needed to assure adequate service at minimum cost. Through such a survey, it should develop and adopt a positive utility program.

General considerations are:

1. *Regional Scope.* The survey would be made by the principal city in the area, but its scope should not be limited to the city itself, it should include the entire locality which, as a whole, constitutes the industrial unit which must meet the competition of other localities in producing for the general market. Adequate and minimum cost utility services should be provided for the entire region, including satellite communities or unincorporated sections that

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are embraced in the single industrial area. While the central city should take basic responsibility and leadership, and should primarily determine the program, it should seek the active cooperation of adjacent municipal units and territory.

2. *Public and Private Ownership.* Responsibility applies equally whether utility properties are privately or publicly owned and operated. Whatever the form of ownership, utility functions are public and are vital to all community activities. Where properties are municipally owned, the responsibility of the city is direct and positive and cannot be evaded. Where they are privately owned, the duty is not immediate and explicit and can be by-passed more readily; but the needs are equally positive and important.

In electric power, ownership and organization are predominantly private. The same is true of gas and urban transportation. In the case of water supply the situation is reversed—the systems are mostly public. But, whether public or private ownership prevails, municipal responsibility is identical. Municipal inquiry and development of a positive program are essential.

3. *Municipal Ownership.* Where the utility is municipally owned, the survey should be concerned with: (a) adequacy and suitability of facilities, (b) appropriateness of organization and control, (c) adoption of sound financial policies, and (d) assurance of efficient and economical operation. In most instances existing facilities are largely obsolete. Often the utility organization has never been subjected to rigorous

scrutiny. Appropriate over-all city control may not have been provided and proper coordination with the general policy-making and administrative structure of the city may be lacking. Frequently definite policies to assure financial integrity of the system and reasonable rates for consumers have not been adopted. The management is commonly subjected to political dictation, and seldom is there adequate provision for assurance of efficient and economical operation.

4. *Private Ownership.* Where a utility is privately owned, the survey should still be concerned with the fundamental objective of getting adequate and proper service at minimum cost. The same considerations of organization, control, finance and management are involved as in outright municipal ownership. Improvements and expansion of existing facilities need particular inquiry. There are also two transcending points of inquiry and formulation of policy: transforming regulation and consideration of public organization.

5. *Transforming Regulation.* In principle, privately owned utilities have been subjected to public regulation, chiefly under state utility commissions. The main purpose of regulation has been to assure proper service to the public at reasonable rates. To a large extent, however, rate regulation has been ineffective, chiefly because standards and methods have been too indefinite and variable for exact and systematic administration. The main difficulty has been in the general legal requirements imposed by the Supreme Court

of the United States, that a company is entitled to such rates as will bring a fair return on the "fair value" of its properties devoted to public service. In a long list of decisions "fair value" was held to consist primarily of the reproduction cost of the properties less their depreciation.

Every rate inquiry, therefore, has required a physical appraisal of the properties, involved widely conflicting claims as between the public and private interest, and has resulted in protracted hearings, excessive costs, and inconclusive decisions. Because of procedural difficulties, official regulation has gone largely by default. The commissions generally have obtained such rate reductions as they could informally, through negotiations with the companies, without official findings and orders. The result in many instances has been that excessive rates have been perpetuated for lack of means through which they could be reduced as basically warranted.

Fortunately for the future, the long fixed "fair value" requirements have been set aside by the Supreme Court. Following the now famous *Hope Natural Gas Company* case, decided January 3, 1944, commissions have been released from consideration of reproduction costs or other technical requirements imposed in earlier cases. As the situation now stands, they are free to adopt the so-called "prudent investment" as rate base. This consists, as presented in the *Hope* case, of the original cost of the properties less their depreciation due to both physical and functional causes. It can be established and maintained through

the accounts of the companies under continuous commission supervision. Regulation can now be transformed into a precise and administrable system; rates can be periodically reviewed and revised upon the exact facts, with full protection of public and private rights.

The point here is that the cities should lead in bringing pressure upon state commissions to adopt the prudent investment rate base and establish systematic control of rates. Such pressure can best be exerted through the cooperation of cities served by the same company, or by all the cities of a state acting together. While the needed regulation can now be secured, its actual attainment will depend largely upon vigorous municipal leadership.

6. *Considering Public Ownership.* In dealing with privately owned utilities, each city should balance the advantages that may be secured from outright municipalization as against efforts to bring about effective regulation. Even with transformed regulation there would still be a question as to whether outright public organization would not be more efficient and economical than leaving utilities in private hands with provision for public control. There are also problems of absentee ownership, over-capitalization and the break-up of the holding company empires under the Federal Public Utility Holding Company Act of 1935, whose constitutional validity was affirmed recently by the Supreme Court in *North American Company vs. Securities and Exchange Commission*.

In the case of most cities, there

has been holding company control of the local electric operating company, which must be divested under the SEC requirements. The common stock of the company may be sold to another holding company, or to independent investors, or some other disposition may be made. The necessity of divestment furnishes the occasion for consideration of municipal ownership. The question arises as to whether municipalization would not be better for the locality than passing control to other private interests. For answer the city needs to know the facts involved, the purchase price to be paid, the financing, the form of organization, and the management that should be provided.

7. *Legal Rights.* Naturally, the city should have appropriate legal powers to establish and carry out its utility program. Where it does not have adequate powers, it should see that the law is properly amended. To that end it should induce other cities in the state to join in asking the legislature to grant to all cities the legal rights necessary for proper development and adoption of utility policies and programs of action. This is a matter of profound importance for every city and its surrounding locality.

Specific utility needs are:

1. *Electric Power.* Whether the electric system is publicly or privately organized, the survey should determine the extent to which old plant units should be replaced and modern plant capacity expanded. This applies particularly to the generation of electricity but also to transmission and distribution. In regard to generation there has been

tremendous technological advancement in the basic plant units. Roughly, the best 1920 large modern plant required about two pounds of coal per kilowatt hour generated. The best large plant of today uses only 0.7 pounds per kilowatt hour, and much less labor for operation and maintenance. In most instances, however, existing generating plants do not have this modern efficiency, but consist largely of wholly or partially obsolete units.

Plant modernization and enlargement are needed badly both in public and private systems. The extent can be determined only through special investigation and competent findings. In the case of many municipally owned systems, there is also the question as to whether it is better economy to provide independent generation or to purchase wholesale from a large private electric company. The decision should depend wholly upon relative cost. For a small city, say under 25,000 population, purchase would probably be more economical, provided proper wholesale rates can be obtained. For the larger city, independent generation might have its advantages. For wholesale purchase, the municipal systems in the state might band together in joint action before the state commission so as to get the rates down to the actual cost of service, including a fair return to the private company.

2. *Gas Utilities.* There are two kinds of gas utilities—manufactured gas and natural gas. The first has not had the benefit of such technological advancement as has characterized electricity. In fact, for many

years it has remained essentially a static or recessive utility. In basic service functions it has gradually been displaced by electricity. In the main it retains only domestic cooking, although in this, too, it has been losing to electric competition. While it has striven to enter the house-heating and industrial fields, it has been limited by high costs and by the availability of cheaper fuels.

As to natural gas, the situation is quite different, provided the gas can be transmitted economically to the particular service territory. Its heat content is usually about double that of manufactured gas and generally its gateway price has been considerably less than the cost of manufactured gas. Where it is already supplied, the municipal inquiry should determine whether the rates are sufficiently low and the supply adequately protected. Where it is not already supplied, the question is whether it can be transmitted at a low enough cost to revitalize the local gas service. There have been significant advances in transmission pipe-line construction and, for the future, economical transmission can be provided where before the war it was not available. Even in the northeast seaboard territory, government oil pipe-lines, constructed to meet war needs, might be converted to transmission of natural gas to serve heavily industrialized regions, or a large new line might be constructed economically from the southwestern natural gas fields. At any rate here is a matter of great importance in which joint intermunicipal action might prove efficacious.

3. *Water Supply.* The problems

of water supply center in increasing industrial utilization, expansion of municipal-regional areas, the necessity of reaching into outlying territories, and coordination in the joint interest of a district, the state, or several states under comprehensive river development projects. For the most part, individual municipalities can no longer go their own way; they will be forced by inescapable circumstances to join in broad programs of water resources development and utilization. The desirable scope and form of organization will depend upon the particular circumstances of a locality, but should be largely regional. This applies especially to the main source of supply and transmission, which would be provided on a wide area basis, with financing and joint cost-sharing by the several municipalities and territories included in the project. Local distribution systems, however, can well be left to individual municipalities. These important readjustments will necessitate the establishment of public organization, but present city water systems are already about 85 per cent under public ownership.

4. *Urban Transportation.* Here the most significant fact is the extensive obsolescence of the street railways as a mode of transportation. While their developing obsolescence has been widely observed during the past 25 years, the present reality can no longer be obscured by the special interests in the industry. Where street railways still exist the urgent problems will be how and to what extent they should be replaced with modern buses, and whether this can be accomplished better through

private or public organization. In either case, the capital structure should be cleared of the abandoned street railways so as to leave no hangover of street railway costs and charges upon future bus riders.

In the readjustment of transportation, reliable factual findings are needed to determine the extent to which street railway conversion either to modern gas buses or to trolley buses, operated through overhead electric feeders, would be advantageous. Unfortunately, there has never been a conclusive investigation showing the relatively justified place of each mode of transportation in a modern city system. Naturally, managements contend that street railways are best suited to the main and heavy traffic routes. There is doubt as to the justification of this claim, but it cannot be brushed aside without thorough operating tests and conclusive findings. Since all large cities are confronted with the problem of street railway conversion to gas or trolley buses, an unbiased and competent intermunicipal investigation to determine the facts would be valuable. This would enable every city, at negligible expense, to establish its own program as the facts warrant.

With a modern bus system, a city can readily adjust its transportation according to needs and convenience. Routing would be flexible and could be changed to conform with shifting conditions. Express lines could be established for the convenience of

suburban and distance traffic. Where subways or other rapid transit lines exist, bus feeders and distributors could be provided, thus avoiding costly rapid transit additions and extensions. And, what is particularly important, general traffic conditions in the streets would be materially improved. There would be an end to the prevalent interference of street cars with vehicular traffic, and of vehicular traffic with the mass passenger movement—but all this raises a question of fact and should be determined through the proposed intercity investigation and findings.

In conclusion, it would seem that a comprehensive utility inquiry and adoption of a modern program, based on community advantage, would be a first rank municipal project, and would pay huge dividends in future economic and social progress. Its importance is accentuated by the fact that utility matters have generally not been part of regular official concern. They have received only casual or spasmodic consideration under more or less emergency circumstances. They have practically never received proper attention on their own merits in relation to community needs and advantages.

Utilities should be brought to the front line of municipal consideration and responsibility, for they are basic to the future welfare of every urban community. Every city should institute a thoroughgoing investigation and adopt a program that is predicated on demonstrated advantages to the locality.

News in Review

City, State and Nation . . .

Edited by H. M. Olmsted

Committee Will Study Public Employee Strikes

Appointed at Meeting of Civil Service Assembly

THE problems inherent in strikes by governmental employees, and consequent "dangers to orderly government," will be explored by a committee authorized on October 23 by the Civil Service Assembly of the United States and Canada. The assembly held its annual conference in New York, October 21 to 24, celebrating its 40th anniversary. It was attended by some 600 personnel executives in federal, state and local civil service and representatives of allied organizations.

The resolution to appoint the committee on strikes followed discussion of an amendment to the by-laws to provide means for meeting disruption of the civil service. The committee is to report at the next annual meeting, and is expected to suggest laws and policies to deal with the strike problem.

Another topic at the meeting was return of the United States Employment Service to the states, which becomes effective November 16, and the administrative problems caused by the change. The legislation affecting the transfer provides that all employees covered by the federal organization be appointed to comparable positions. It was pointed out that the problems of classification and compensation would be more complicated than when the employment services were taken over by the federal government in January 1942.

Arthur S. Flemming, United States civil service commissioner, discussed the role of the personnel office in management and announced that by

January the commission expects to have 750 boards of examiners established in various governmental departments and agencies and that over 300,000 placements will be made through these boards in the fiscal year of 1947.

At the concluding session Mayor Edward J. Jeffries of Detroit urged better labor relations between cities and their employees. Referring to the threat of strikes as "a new conception of employee power in relation to government, which can become so potent as to paralyze government and can actually nullify it," he advocated establishment of a liaison agent with knowledge of governmental affairs and of the needs of the employees to avoid conflicts arising through the intervention of labor organizations.

At a discussion on building an international civil service Harry W. Marsh, director of personnel for the United Nations Relief and Rehabilitation Administration, announced that the United Nations Assembly has resolved to create an International Civil Service Commission to handle personnel activities on a global basis.

Council-Manager Plan Developments

The city of **Enid, Oklahoma**, adopted the council-manager form of government by a vote of nearly three to one, at a special election on October 15. In April Enid will elect a new council, consisting of six members chosen from wards and a mayor elected at large; they will take office on the first Monday in May and will appoint a manager some time thereafter. The vote on October 15 was 3,811 for the manager plan and 1,383 against it. Only one of the six wards returned an adverse majority, by a small margin.

Glenwood Springs is the first city in **Colorado** to adopt the optional manager charter for cities of the second class (2,000 to 25,000) passed at the last session of the legislature. The plan was adopted by a three-to-one vote on September 3.

The borough council of **Mechanicsburg, Pennsylvania**, on August 16 adopted an ordinance establishing the office of borough manager, to be filled by an engineer who shall act as borough engineer, surveyor and street commissioner, shall purchase minor supplies and equipment, prepare the budget, execute ordinances and perform such other duties as may be given him by ordinance.

At the annual town meeting on October 7 in **Windsor, Connecticut**, a town-manager charter, prepared by the charter study committee, was unanimously approved by approximately 300 persons present, and the committee was empowered to submit it to the state legislature when it convenes in January. At the meeting various changes from the committee's original draft were approved, the most important being the elimination of the board of finance and the transfer of its powers to the town council. A proposal to submit the charter to the electorate at the November 5 general election was defeated. The legislature, if it approves the charter, may require it to be submitted to a referendum before it becomes operative.

In **Darien, Connecticut**, the committee of fifteen for the study of town government, elected at a special town meeting on March 7, 1945, has submitted a printed report, dated October 1, 1946, to the board of selectmen. It recommends centralization of authority in the board of selectmen, whereas now it is largely diffused among various boards and commissions; that the selectmen appoint all administrative

officials, including an executive agent to supervise all departments except police, to act as a coordinating officer for the board, and as purchasing agent, but to have no appointive power. Establishment of a department of public works, headed by a town engineer appointed by the board, is also recommended.

The city council of **Hartford, Connecticut**, has refused to place the proposed council-manager charter on the ballot at the November general election, as had been taken for granted after the city charter commission reported in favor of a council-manager charter.¹ The council took this action on September 30 and then set a special election for December 3 for a popular vote on such charter amendments as the council sees fit to recommend. A committee of the council undertook to hold hearings on the charter. The charter commission's draft may be submitted to a vote, but this is not certain.

Charter revision committees are at work in **Farmington** and **Manchester, Connecticut**.

The City Manager League of **Springfield, Massachusetts**, expects to seek the necessary signatures on a referendum petition to place the question of the manager plan on the ballot.

A report on improving the government of **Hagerstown, Maryland**, prepared by Dr. Joseph M. Ray, recommends the council-manager plan, with a council to be elected at large. Dr. Ray, who is head of the Department of Government and Politics in the College of Business and Public Administration, University of Maryland, conducted a survey of the city government and rendered his report to the city council September 1.

Grundy, Virginia, now under a strong-mayor form of government, is contem-

¹See the REVIEW, July 1946, page 355, and October 1946, page 470.

plating a change to the council-manager form.

A committee of the **Raleigh, North Carolina**, Junior Chamber of Commerce is advocating a change to the manager plan in that city.

In **Orangeburg, South Carolina**, a proposal to adopt the council-manager plan was defeated at an election on September 24.

An advisory vote in **Americus, Georgia**, on October 22 resulted favorably to the council-manager idea. The city council is expected to take action soon.

A new charter for **Dalton, Georgia**, including the council-manager plan, is expected to be prepared by Dalton's representative in the state legislature, Stafford Brooke.

The city council of **DeFuniak Springs, Florida**, is interested in the establishment of the council-manager form of government and is planning to submit the question to the voters.

The village of **Osborn, Ohio**, will vote on a new manager charter November 5.

A City Manager Committee is active in **Van Wert, Ohio**.

Voters of **Beckley, West Virginia**, defeated a proposal to adopt the manager plan at an election held October 15.

The charter board of **Grafton, West Virginia**, expects rapid completion of a council-manager charter.

A group of residents in **Nicholasville, Kentucky**, is for a so-called commission form of government under which four commissioners elected at large would appoint a city managing agent.

In **Bardstown, Kentucky**, a "super-visor of city works," has been appointed by the city council, to relieve the mayor and council of much of the work and responsibility caused by rapid growth of that city. All utilities, sewers, water lines, streets and construction will be under his supervision.

In **Paris, Tennessee**, the council-manager plan will be voted on at an elec-

tion on November 12. The Veterans Better Government League undertook the circulation of petitions calling for a referendum election on the establishment of the plan. The league was supported by Mayor J. M. McCutchan, who was an early signer of the petition.

Three city councilmen of **Warrensburg, Missouri**, have been appointed as a committee to study the council-manager plan.

The Chamber of Commerce of **Hutchinson, Kansas**, is campaigning for a change to the council-manager plan.

The city charter commission of **Beaumont, Texas**, is engaged in drafting a council-manager charter. It is expected, however, that it will provide for popular election of a mayor. A new Citizens Organization for Better Government is also interested in obtaining a charter for the county.

In **Pendleton, Oregon**, the voters failed to approve a proposed council-manager charter on August 30 by a vote of 595 to 408. Criticisms were particularly directed against three provisions of the proposed charter: a requirement that a councilman must own property of at least \$2,000 assessed value; the election of the five councilmen at large instead of by wards; and permission for the city manager to discharge any city employee "with or without cause."

Interest in the council-manager plan is also evident in **Neillsville, Wisconsin**; **Bloomington and Moline, Illinois**; **Tuscaloosa, Alabama**; **Fergus Falls, Minnesota**; **Leavenworth, Kansas**; **San Antonio and Kerrville, Texas**, and **Oroville, California**.

Recreation Master Plan for Washington State

In the state of Washington, where entertainment of tourists is reported to be the second largest industry, a recreation master plan is being drafted to

correlate community activities with provisions for vacationists.

According to the Council of State Governments this plan is being formulated under provisions and funds granted by the 1945 legislature and will be submitted in January 1947.

Shorter hours, increasing use of the five-day week, and withdrawal of federal support from U.S.O. programs in many localities, have impelled a search for new means to continue social, cultural and athletic activities that have become a true part of the community.

The plan will aim at fuller participation by residents in natural recreation areas nearby as well as providing for tourist entertainment. Researchers have analyzed recreation needs from information gathered through public opinion polls, by community "self-analyses," and by conferences of state and local researchers. Twenty-five communities and rural areas were taken as samples in the public opinion poll, which furnished data on current levels of cultural and recreational development in comparison to future needs.

Development of recreational facilities in hitherto sparsely populated areas is being given special attention including, for example, the Columbia River Valley, where power and other developments will bring an influx of thousands of workers and their families.

Wartime increase in juvenile delinquency has focused attention of researchers also on the need for more extensive corrective and preventive youth recreation programs. Recreation programs and facilities for older people and for specialized groups including seamen, loggers and migratory workers are also being planned.

In-Service Training for Administrators and Technicians

Development of technical skill and increasing the breadth of view of ad-

ministrators are objectives of various training programs reported from many cities.

The International City Managers' Association has completed a survey of thirteen in-service programs involving administrative personnel of 45 cities. Definite improvements in local government were reported as resulting from all the projects, especially in producing broader understanding by city department heads of municipal administrative problems outside their special fields. This is accomplished by textual study of administrative techniques plus round table discussions among departmental and other officials.

One example of such programs is a series of in-service training sessions now being held for city officials of fifteen cities in southeastern Michigan. Eighteen group discussions are scheduled, based on assigned reading from textbooks purchased by city and individual funds.

Similar in-service training schedules for instruction in administrative techniques are being followed in Amarillo, Texas, and Las Vegas, Nevada.

In Wichita, Kansas, two group training courses have been completed so far, one on municipal administrative techniques and the other on local planning administration. Fifteen weekly sessions were held by each group. All textbooks were furnished by the city. Thirty-two officials took the planning course. Comprehensive planning studies and recommendations of the City Planning Commission, just being completed, were used in many discussions.

In-service training courses in police administration were completed recently by police officers in Los Angeles and Dubuque, Iowa, while general or specialized in-service groups have completed courses in Dallas, Lubbock and Wichita Falls, Texas; San Diego, Cali-

fornia; Kalamazoo and several other Michigan cities.

In Kansas City, Missouri, there is an increasing number of in-service courses. More than a hundred persons have completed supervisory courses, which are being continued, with added emphasis on public relations. In the treasury division public relations training is being undertaken with a conference type of course. A course for assessors is beginning, with arrangements for participation by veterans under the GI bill of rights. Courses in typing and shorthand, both basic and advanced, are being given to relieve an extreme shortage of stenographers. The Welfare Department in October started an in-service training program for all full-time recreation workers, covering recreational administration, program planning and recreational workshop.

Cities Try to Resolve Industrial Labor Disputes

Following establishment of an industrial relations committee by Toledo, Ohio, which has been successful in easing various labor difficulties in that city and has been praised by employer and labor representatives, Louisville, Kentucky, St. Louis, Missouri, and New York City have taken steps for active and organized efforts for labor peace.

The Louisville Mediation Board is composed of six representatives each from labor and management and six representatives of the general public, all eighteen being appointed by the mayor. When two factions in a labor dispute are deadlocked they may submit their case to a three-member subcommittee of the new board.

In St. Louis, as in Toledo and Louisville, there is to be an eighteen-member committee. It is expected to rely chiefly on public opinion to make its decisions effective.

In New York City Mayor William

O'Dwyer has set up a Division of Labor Relations, headed by Edward C. Maguire, deputy commissioner of transportation and labor advisor to the mayor on many occasions. Mayor O'Dwyer, having been drawn into several major labor disputes seriously affecting the economic life of the city's population, hopes that the new division may be successful in aiding the settlement of many labor difficulties before they become acute and large-scale. The new agency will also be expected to equip itself with information to help it understand and assist in the solution of disputes both within city employment and outside the municipal government. Its estimated annual budget is \$60,000.

Foreign Service of U. S. to Be Reorganized

The first thorough reorganization of the United States Foreign Service since 1924 is provided for by recent legislation approved by President Truman.

According to the National Civil Service League, the act provides that the Foreign Service shall be administered by a director general appointed by the secretary of state from among Foreign Service officers of the two highest classes. A Board of Foreign Service is created under the chairmanship of the assistant secretary of state in charge of administration, with two other assistant secretaries of state and representatives of the Departments of Commerce and Agriculture, who shall sit only when matters of interest to those departments are under consideration; the president may also authorize similar representation of other departments. The board's principal function is to advise the secretary of state on policies and procedures to govern the administration and personnel management of the Foreign Service.

A Board of Examiners, under the

direction of the Board of Foreign Service, is set up to examine candidates for the service. An Advisory Interdepartmental Committee of the Foreign Service, made up of the director general as chairman and of representatives of the State Department and other governmental agencies, is to be appointed by the president to advise the secretary of state and the board and to assist in planning and developing the service.

Oregon Studying Growth Beyond Limits of Cities

A committee appointed by the governor of Oregon is investigating problems arising from current population increases in every major Oregon community. Special study is being given to the rapid expansion of unincorporated areas beyond municipal zoning jurisdiction. The committee is making a city by city survey in an effort to help municipalities find ways of directing suburban development beyond city limits.

An outstanding example of such "fringe" growth is at Klamath Falls, where a ring of uncontrolled development containing 12,000 residents has grown up around the city of 16,000. The latter supplies water to the fringe but the new suburban area has no sewage system, no drainage, no street control, no police or fire protection, no building code and no zoning regulation to restrict the development of nuisance industries or establishments.

Fringe business presents potential sources of municipal revenue. The Oregon committee has discovered that between Grants Pass and Gold Hill, a distance of approximately fifteen miles, there are 24 auto courts representing investments of some \$1,200,000. A license is required for none of them.

In Linn and Lane Counties the fringes

of Albany, Springfield and Eugene are sites of new, large industries just constructed or in process, and no building permit has been issued.

The committee's activities were reported recently in the progress report of the Oregon Post War Readjustment and Development Commission. The fringe study is scheduled for completion by January 1, when recommendations will be made to the governor and legislature for solution of fringe-growth problems.

Uniform Modern Building Codes Gain Impetus

With the objects of encouraging better construction standards and promoting general adoption of a modern, uniform building code, establishment of the Building Officials Foundation was endorsed on October 3 by the Building Officials Conference of America, meeting in Memphis, Tennessee. Conference leaders expressed confidence that manufacturers and others in the building industry would subscribe \$600,000 as an endowment fund to finance the work of the foundation on a non-profit basis.

A basic code of nineteen streamlined sections and a supplemental specifications code have been in process of drafting, and this work will be speeded.

In New Jersey and Connecticut laws have been adopted this year to establish standard building codes, with provision for amendment from time to time by the Department of Economic Development, in New Jersey, and the State Housing Authority, in Connecticut. These standard codes may be adopted in any municipality in the state by reference to the standard code in a local ordinance—thus obviating the high cost of local publication of a voluminous ordinance. New York State has a legislative committee working on this subject.

Governmental Research Booming

Bureaus Expand Programs and Issue Many Reports

THE public administration movement on the part of university people is more active in this section of the country (the south) than in any other," reports Dr. Christian L. Larsen, assistant director of the **Bureau of Public Administration, University of South Carolina**. "For instance," continues Dr. Larsen, "six states of this region are just completing a study of the administration of natural resources in this area and they are about to undertake a second cooperative study on the technical aids available to government officials. As part of this movement bureaus of public administration are being established, with those at South Carolina and at Mississippi being the most recent ones. There is a close working relationship among the university public administration people in this area."

The South Carolina bureau, of which George R. Sherrill is director, has just celebrated its first birthday. It is supported partly by the university and partly by the General Educational Board. The major project for the first year is the forthcoming study of the administration of natural resources in South Carolina. Future plans include a study of municipal government and administration in South Carolina, the development of a legislative reference service, and occasional short studies at the request of government officials.

A plan for a statewide program of college research on municipal problems was discussed by representatives of a

score of Pennsylvania colleges and universities meeting on June 11 as a **Committee on Pennsylvania City Problems**, called by William S. Livengood, Jr., secretary of the Department of Internal Affairs of Pennsylvania. This meeting, reported in the monthly bulletin of the department, suggested the establishment in each college of a committee on municipal affairs. The plan calls for impartial fact-finding and research through the colleges, the results of which would be turned over to cooperating civic associations for public discussion and possible remedial action.

A somewhat similar plan to coordinate university research in local government with civic action was announced September 9 by **Western Reserve University** jointly with the **Citizens' League of Cleveland** and the **Cleveland Bureau of Governmental Research**. According to announcement by President Winfred G. Leutner of the university and Robert W. Chamberlin, director of the league and bureau, Associate Professor Karl A. Bosworth, of the university's Department of Political Science, will be assistant director of the Citizens' League and the bureau in charge of research. Faculty and students in the Department of Political Science, as well as facilities in such other departments of the university as sociology, preventive medicine and the School of Applied Social Sciences, will cooperate.

Completed research projects will be presented to the Citizens' League as a basis for action and may also be published in popular form by the university.

President Leutner commended the arrangement as "an excellent opportunity to give mature students experience in governmental research" and

bring them into direct contact with the various governmental agencies.

The contemplated program includes rendering service to the political subdivisions in the county. It is expected that one of the first projects will be reorganization of county government. Professor Earl L. Shoup, chairman of the Department of Political Science at Western Reserve, has accepted the chairmanship of an **Institute of Government** which will consider this matter later in the year, according to the September bulletin of the Citizens' League.

Larger staff and budget to expand its consultation with citizens groups working on charter revision, tax problems, etc., are forecast at the conclusion of the second of two articles on the "History of the **Bureau of Municipal Research of the University of Texas**," by Lynn F. Anderson, research assistant of the bureau, in *Texas Municipalities*, August and September, 1946.

The first article reviews the history of the bureau from its establishment in 1913 under the direction of Dr. Herman G. James through 1925, during which period it shared its staff with the Texas League of Municipalities. The second article covers the period from 1934, when the bureau was revived after a nine-year hiatus, to the present.

The reorganized bureau is now entirely separate from the league, but works closely with it. It furnishes a clearing house and depository for data on municipal government, a consultant and research service for Texas cities, in-service and pre-service training programs and numerous research studies undertaken on its own initiative. Twenty-seven major publications were issued between 1934 and 1946. These include studies of government and administration of Texas because they are considered "as necessary for the municipal officials as those made of local

problems at the municipal level." Professor Stuart A. MacCorkle, of the Department of Government of the University of Texas, is director of the bureau.

Research Goes Intergovernmental

An increasing number of bureau programs and reports bear out the growing importance of the interrelations of political units, which was one of the principal points stressed in a report of a panel discussion on profitable fields of research in state and local government held at the convention of the **American Political Science Association**, March 29, 1946. Professor William Anderson was chairman, and Kimbrough Owen, secretary of the panel.

An excellent example is a 64-page *Study of Local and State Relationships*, **Rhode Island Public Expenditure Council**, Robert M. Goodrich, director. The report carries approximately twenty general recommendations and many specific ones.

The recommendations are conditioned by three underlying assumptions: (1) That the state should curtail its activities which involve direct service to the public and emphasize its role as a policeman to see that local officers render services efficiently; (2) That, since there is little prospect of reducing the excessive number of units in the state, progress can best be sought "through the simple method of federated administration of certain services"; (3) That the state should use its powers including its fiscal powers to "aid and encourage" rather than to compel local governments to develop "proper administrative mechanisms."

"Fiscal Relations of California State and Local Governments," a statement by James Mussatti, general manager, **California State Chamber of Commerce, Agriculture and Industry**, to the As-

sembly Interim Committee on State and Local Taxes, analyzes economic and social trends, tax facts and governmental arrangements that need to be considered in seeking a solution of the "critical problem" of financing local governments. The statement includes a wealth of statistical information, some of it summarized in eight charts. It stresses the need for modernizing local governments, without which "improved service standards, equity in tax burdens, and fiscal soundness cannot be achieved." A number of possible methods are suggested.

The September bulletin of **Government Research, Inc.**, Los Angeles, Ed F. Thompson, editor, is devoted largely to a report of testimony by county and municipal officials before the Senate Interim Committee on State and Local Taxation. Officials stressed increasing population, higher personnel and other costs, deferred capital improvements and increasing tax exemptions as principal reasons for the financial difficulties of local governments. Although need for additional revenues was stressed, one city attorney saw the need for local action to modernize municipal methods and increase efficiency.

In the *Brackenridge Schools, A Sample of the League's Lower Echelon Work*, the *Newsletter* of the **Pennsylvania Economy League for Western Pennsylvania**, Leslie J. Reese, director, reports on a comprehensive survey of the Brackenridge school district. An outgrowth of the report is a demand for an area-wide study of school problems in the Allegheny Valley. The league feels that its most important recommendations relate to consolidation of the Brackenridge and neighboring districts. "We get to know the difficulties in the path of one world when we total up the obstacles in the path of a simple school district consolidation," says

the report; but the P.E.L. is not discouraged.

State Aid and Shared Taxes in New York State, issued by the **Citizens' Public Expenditure Survey of New York State**, Albany, reviews the history and effects of state aid and tax sharing in New York. "Several methods to encourage use of state collected and shared revenues for real estate tax reduction" are discussed, but no substitute for the "ultimate safeguard" of alert citizen interest is found. Effect of public works versus private works on the tax base is considered. The twelve-page text is supplemented by extensive statistical tables including a chart giving detailed information on the several categories of state aid payments and shared taxes.

The use of "tax resources for the purpose of providing equal rural services through the imposition of equal tax burdens" is the goal sought in *Postwar Revenues for Rural Public Services in Maryland*, by W. P. Walker and S. H. DeVault, issued by the **University of Maryland, Agricultural Experiment Station**. The report finds that state and local revenues in Maryland should be adequate for normal government functions in the years immediately following the war, but recommends "frequent reviews of state and local fiscal policy," and makes various suggestions for improvement of the present tax structure and the means of financing public education, county roads and public welfare.

Fiscal relations between state and local units occupy a major part of *Financing State and Local Government in Oregon*, (133 pages), the fourth preliminary research report prepared for the **Oregon Tax Study Commission**, S. J. Barrick, director of research. Basic data for counties and cities were compiled by the **Bureau of Municipal Research and Service of the University of Oregon**, Herman Kehrli, director.

This part of the study is summarized with tables in *Western City* for July 1946.

Government—It's With Us Always (even before the cradle and after the grave) is the title page of a recent "work book" issued by the **Henry County Council on Intergovernmental Relations**, New Castle, Indiana, Jack C. Greig, executive director. This "catalogue" of public services shows clearly how "the unplanned, uncoordinated growth of government services has resulted in a veritable tangle of federal, state and local services being operated on the local level." The report includes an eleven-page "Summary of Henry County Intergovernmental Revenues for 1944."

Assessment of Property in Henry County, Indiana, is analyzed in another recent study of the HCCIR. Eleven recommendations for improving assessment of property are arrived at.

A Report Upon the 1945 or 10th Annual Survey of County, City and Town Government in Tennessee (117 pages) has been issued by the **Tennessee Taxpayers' Association**, William R. Pouder, executive secretary. The report is a mine of statistics, information and wisdom on the subject indicated by the title, and includes reprints of articles and notes from various publications of such organizations as the Municipal Finance Officers' Association, the National Municipal League and Tax Institute. The volume should be invaluable to Tennessee citizens and officials interested in modernizing administrative and fiscal arrangements in that state.

Rising State Expenditures, Project Note No. 15 of the **Tax Foundation**, New York, Charles C. Bauer, executive director, sounds a warning in the midst of general optimism concerning state finances. It notes that most revenue increases were the result of war conditions, that many state expenditures

were deferred because of the war and that great commitments have been made "for welfare, public assistance, hospitals and state aid to cities and schools." The report urges a reorganization of the state's financial programs in order to avoid serious difficulties for state and local units if revenues begin to fall.

The **Chicago Civic Federation**, Douglas Sutherland, executive secretary, has issued its *13th Annual Study of Debts, Taxes and Assessments*, (23 pages), a compact factual statement on the financial condition of the several overlapping governments supported by the citizens of Chicago.

Just a Moment, issued September 26 by the **Buffalo Municipal Research Bureau, Inc.**, Sidney Detmers, managing director, notes that on July 1, 1947, the State of New York will begin taxing a 30th source of current revenue in the form of license fees for operators and shops engaged in barbering, hair dressing and cosmetology. This new state tax will encroach on a local revenue source which yields Buffalo about \$25,000 a year. The Buffalo bureau does not think the state needs the money.

"The Future of Subsidized Child Care Programs in New York State" is the subject of a questionnaire reported in *Research Brevities*, September 20, **Schenectady Bureau of Municipal Research, Inc.**, George Nichols, managing director. Outstanding conclusion: public child care will cease in most cities whenever state financial participation ends.

The dependence of municipal planning and development on governmental cooperation is discussed in the September monthly letter of the **Toronto Bureau of Municipal Research**, H. L. Brittain, managing director. Here are three points made by the letter: (1) "City planning, whether it concerns traffic control, transportation, zoning or

its many other phases, is not merely the concern of the mother city but of all the municipalities in the metropolitan area which is the real social and economic community of Toronto. . . . If we are not to witness a great community being slowly but progressively strangled, something like the proposed metropolitan planning board will have to be constituted with adequate powers." (2) "We are bound to flounder along in a bog of uncertainty and frustration" until definite determination is made as to the allocation of tax sources and service responsibilities among the three levels of government. (3) Postwar construction plans for thoroughfare and airport development, traffic control, etc., need to be coordinated as parts of a larger plan which would depend in part on "a nationwide policy of allocation of public revenues."

Two recent reports of the **Nebraska Legislative Council**, Roger V. Shumate, director of reference and research, deal with matters involving important inter-governmental issues. Subcommittee Report Number 4, July 1946, considers interstate toll bridges. The report, approved by the Legislative Council, recommends legislation to enable the Department of Roads and Irrigation to accept title to and responsibility for maintenance of the Nebraska portion of any interstate toll bridge which becomes debt free, provided that the adjoining state takes similar action. The other states now linked to Nebraska by toll bridges are South Dakota, Iowa and Missouri.

Subcommittee Report Number 8 on *Matching Federal Funds for Highway Purposes*, approved by the Legislative Council on August 29, finds that on the basis of present revenues Nebraska will be unable to match all federal funds available under the postwar matching program. In view of the importance of highway improvements to

the rural sections of the state, the council believes "that every reasonable effort should be made to match all federal funds available for highway construction," but finds that the problem of securing such funds "presents great difficulty." The report lists increased gasoline or motor vehicle taxes, a special property tax, and income and sales taxes as possible sources but states no conclusion as to the best method of financing.

Reports on November Referenda

Tax Talk, **Los Angeles Bureau of Municipal Research**, James O. Stevenson, editor, summarizes "seventeen propositions amending the basic law" of California to be voted on in November. "From a tax standpoint" the report holds that the main issue is the proposal to increase state school support by assuming responsibility for paying \$120 per pupil, including kindergarten.

The **San Francisco Bureau of Governmental Research**, Alfred F. Smith, director, in its August 20, September 11 and September 30 bulletins, indicates that taxpayers face a "gloomy prospect" in a number of charter amendments on the November 5 ballot. The bureau finds that twelve of fifteen amendments "provide increased benefits for city and county employees, either in salaries, pensions or working conditions." The bureau also points out that San Francisco voters must "pass on eighteen city and county propositions and eighteen state measures . . . in addition to electing various state officials." Special criticism is directed in the September 11 bulletin at a charter amendment which would increase salaries and reduce the work week for both fire and police departments to an extent which the bureau finds would

be out of line with practice in comparable cities.

On the other hand, in Los Angeles, **Government Research, Inc.**, in its August bulletin regrets the defeat of seven bond issues at a special election and notes that because of the pressing need, the Los Angeles Board of Supervisors will resubmit certain of the issues in November. Suggesting that the extremely light vote in August did not "indicate the attitude of a substantial proportion of the voters," the report advises that special elections should be avoided.

In an analysis of the Los Angeles city budgets for 1946-1947 in the same bulletin, it is recommended that salary adjustments be made "in keeping with the annual study of prevailing wages in this area now conducted jointly by the city's Bureau of Budget and Efficiency, the Personnel Commission of the Los Angeles City School Districts, the personnel director of the Department of Water and Power, and the chief administrative officer of the county."

Predicting Employment and Unemployment

Estimates and Forecasts of Total Civilian Employment and Unemployment in California, monthly reports that commenced May 31, may set a new pattern for state reporting of employment figures and prospects. The reports are issued by the **State Reemployment and Reconstruction Commission**, Sacramento, V. B. Stanberry, chief of technical staff. They are prepared by the research staffs of that commission and of the State Department of Industrial Relations and State Department of Employment. These reports give both estimates of current employment and unemployment and short term forecasts of employment by industrial groups for the state as a whole. They cover

all employed persons including proprietors and other self-employed workers. The estimates are derived from a review of various kinds of data. The text is clear and interpretive, not merely descriptive.

1947 GRA Officers

At the annual conference of the **Governmental Research Association**, held in September and reported in this section last month, the following officers were elected to serve during 1947:

President, Carl P. Herbert, director, St. Paul Bureau of Municipal Research; vice president, Alfred F. Smith, director, San Francisco Bureau of Municipal Research; trustees: president and vice president elect; Welles A. Gray, director, State Division, Pennsylvania Economy League; Lennox L. Moak, executive director, New Orleans Bureau of Governmental Research; John W. Nowland, director, Tax Research Bureau, Chamber of Commerce of Delaware; Robert E. Pickup, executive director, Providence Governmental Research Bureau; and Walter L. Pierpoint, president and manager, Association of Omaha Taxpayers, Inc.

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Strictly Personal

Dr. William L. Bradshaw, professor of political science, University of Missouri, has recently become dean of the School of Business and Public Administration of the university.

Richard C. Berens joined the research staff of the Newark Bureau of Municipal Research during the summer. Mr. Berens had been a classification analyst for the War Department.

Dr. Robert B. Highsaw, associate professor of political science and director of the new Bureau of Public Administration at the University of Mississippi, has been appointed research consultant to the Mississippi Municipal Association.

Citizen Action Edited by Elsie S. Parker

Citizen Groups Active in Planning Field

Report on Local Situations, Seek to Improve Their Areas

THE 1946 edition of the *American Planning and Civic Annual* presents a "record of recent civic advance in the fields of planning, parks, housing, neighborhood improvement and conservation of national resources." Included are addresses delivered at the Citizens Conference on Planning, held at Dallas April 21-24 of this year. The volume of 226 pages has been published by the **American Planning and Civic Association**, Washington, D. C., and edited by its executive secretary, Miss Harlean James. Reports and articles have been prepared by eminent leaders in the planning and allied fields.

The annual is divided into five major categories: the nation, the states, metropolitan planning, the cities and towns, and citizen education.

Of particular interest are the discussions on enlisting citizen action and interest for planning, citizens planning organizations, and college courses for education in planning which bring the volume to a close.

The **Allegheny Conference on Community Development**, Park H. Martin, executive director, has published Part I of its *Housing Survey of Pittsburgh and Allegheny County* (1946). The factual report, prepared by Max Nurnberg, has been issued in two volumes: section I (87 pages) comprises the text of the study with a block map of the city of Pittsburgh; section II (unpaged) contains appendices and tables.

Mr. Nurnberg's study of the existing housing situation is a housing inven-

tory which compares Pittsburgh and Allegheny County with Baltimore, Buffalo, Chicago, Cincinnati, Cleveland, Detroit, Philadelphia and Rochester. He expects soon to begin his study of the second and third phases of the Pittsburgh housing problem. The second survey is a "market analysis." The third, based on the first two, will make specific recommendations to meet housing needs.

On its toes is the **Mayor's City-Wide Planning Committee of Omaha**, of which Russell J. Hopley is general chairman. Its report, *Improvement and Development Program Recommended for the City of Omaha* (305 pages), is a well organized and beautifully printed piece of work. It contains numerous photographs, maps, graphs and artist's conceptions of proposed buildings and highways, the latter reproduced in sepia tones. Chapters include reports of the organization's Correlating and Finance Committee, a summary of its recommendations, complete reports and recommendations of the project committees, "other improvement and development projects to be undertaken by the city of Omaha during the next five-year period," and a list of chronological developments in connection with the organization of the mayor's committee.

That the work of the committee has borne fruit is demonstrated by the fact that the city council now has before it charter amendments to authorize bond issues for fourteen civic projects labeled "urgent" by the committee. These projects call for a total expenditure of nearly \$15,000,000. It is expected that the bond-issue amendments will be submitted to the voters at the November 5 election.

"Cincinnati Needs an Industrial Development Program," says the **Citizens**

Planning Association for the Development of the Cincinnati Area, Walter R. L. Taylor, executive secretary, in *Planning and Development News*. The article discusses the City Planning Commission's report, *Industry in the Master Plan*. It asks that consideration be given to the establishment of a municipal or regional authority to operate in the field of industrial sites, and terms "absolutely untrue" a statement appearing recently in a local newspaper that Cincinnati is in such a prosperous condition it has no industrial sites for new industries.

Housing for Your Town—Success—Failure is the latest publication of the **New York Regional Plan Association**, Frederick P. Clark, planning director. Photographs show the results of lack of planning or bad planning and outline "practical means" of avoiding mistakes.

The **South Side Planning Board of Chicago**, a citizen organization headed by Robert E. Garrigan, executive director, has issued a *Prospectus* to provide information on the objectives and program of the board and to enlist support in their development. The *Prospectus* discusses urban blight and its economic drain on the city as a whole. It cites a study of the cost of urban blight made by the Los Angeles Plan Commission, applying the findings in that city to Chicago.

Detroit Citizenship Education Study Progresses

Now well along in its second year, the **Citizenship Education Study** of the Detroit public schools and Wayne University has submitted its first annual report to the public and has published several leaflets describing its purposes and goals. The study is supported by the William Volker Charities Fund which is making a yearly grant of \$85,000 for five years beginning 1945.

The purpose of the study is "to seek

ways of increasing the understanding, interest, competence and participation of boys and girls in the activities of good citizens so that they will try to be active citizens throughout their lives." Director of the study is Stanley E. Dimond, supervisor of social studies at Wayne University. Five staff members were selected from the Detroit public schools and Wayne University, three from outside the Detroit system. There is a Local Advisory Committee of fifteen members and a National Advisory Committee of 61 members which reads like a "Who's Who" in education.

Two leaflets are now available: *X Marks a Spot*, "being a story about building better citizens in the Detroit public schools," and *Five Qualities of the Good Citizen*, a statement prepared by the staff "to serve as central goals for the study." Both are attractively printed in two colors, are short and to the point. A slide film, "Children are Citizens," has been developed for public presentation of the study.

Among the 28 specific projects now in progress as a result of organizing efforts are these: Development of a unit on democracy in an intermediate school, establishment of a student council in an elementary school, reorganization and restudy of student council procedures, development of a movie on citizenship in a school, use of student assemblies to get pupil participation in the solution of school problems, improved use of visual aids, emphasis on direct civic experience—jury service, visits to city council, legislature, etc. Each of the 28 activities is concentrated in certain elementary or high schools.

Special research projects already undertaken by the staff included an attempt to determine (1) interest in current affairs on the secondary school level and (2) influence of the school in getting out the vote at the November 1945 election. In the latter instance,

four approaches to getting out the vote were used by four sets of schools, sixteen elementary schools participating in the study.

In this first report the staff comments that a good beginning has been made and that citizenship education for some children in Detroit already is better than when schools opened a year ago.

Citizenship Efforts in Other Schools

Students of the **Crosby High School** in **Waterbury, Connecticut**, know more about city planning for their community than the average Waterbury adult," says Sando Bologna, writing in *The American City*. Mr. Bologna describes the school's course in city planning which "is believed to be the only one of its kind in New England."

The course was introduced four years ago by Charles E. Woodlock, mechanical drawing teacher. Between sixteen and twenty pupils preparing for college are selected for the study, but when lecturers speak the audience of interested students and teachers becomes so large sessions are held in the assembly hall. Fourteen lecturers are headed by Mayor John S. Monogan and L. T. Scott-Smith, engineer for the City Plan Commission. The director of the State Development Commission discusses the relationship of city planning to state and metropolitan planning. Used as a textbook is one of the plan commission's reports which is filled with graphs and highlighted with breakdowns of estimated costs on a multitude of projects included in the commission's six-year postwar program.

Aileen Roberts, editor of *The Merit Man*, published by the **Connecticut Merit System Association**, in an article appearing in that publication, writes entertainingly on the one-week govern-

ment course for Connecticut teachers held at the University of Connecticut during the summer.¹ "The week at Storrs," says Miss Roberts, "was an excellent opportunity for teachers not only to learn how their government operates but to meet, talk with and question the people who actually are operating it."

The **Indiana Constitution Day Committee**, in cooperation with the **National Foundation for Education in American Citizenship**, is conducting its first annual statewide "Constitution Week Essay Contest." Over two hundred prizes, totaling \$1100, are offered to two divisions, the first comprising sixth, seventh and eighth grade students; the second, high school students. First prize in each division is \$100 and a trip to Indianapolis to meet Governor Gates and preside for a short time over the Senate or House of Representatives during the next session of the legislature.

The contest is part of the state and national program to make citizens more "constitution-conscious." The contest closes at midnight of November 30. Judges are Governor Gates, President Frank H. Sparks of Wabash College, and Samuel R. Harrell, chairman of the Constitution Day Committee.

World Week, a scholastic magazine on social studies and international affairs for high school students, edited by Kenneth M. Gould, is publishing a series of 32 articles dealing with local and state governments and their tie-up with the federal government. According to announcement, "each will stress the contributions students can make to their local communities by understanding how they are run, and by inaugurating or taking part in programs to improve the government." The first, "Cleveland Celebrates a Birthday," appears in the September 16 issue.

¹See also the REVIEW for July, page 366.

Seattle League Tackles County Home Rule

Labeling the securing of a county home rule charter as its number one project for the 1946-47 season, the Board of Trustees of the **Seattle Municipal League** approved some twenty projects covering urgent problems facing the city, county, school district and port. President Lawrence Bates pointed out at the meeting that this action does not limit the organization's program. "The league is prepared to tackle any new development in local government on a moment's notice," he said. "When a problem is uncovered that needs immediate attention we'll have the staff—and probably a special committee—investigate the matter within a few hours."

The league's plan for county reorganization includes the drafting and introduction in the 1947 legislature of a constitutional amendment permitting Washington counties to prepare home rule charters. Such an amendment would give opportunity for the reorganization of King County along modern and efficient lines. Plans are under way to sponsor a number of public forums at which this and other local problems will be discussed.

League membership has now passed the 3000 mark. The 3,000th member, Harold C. Hurlbut, an electrical engineer, amid the flash of the photographer's bulbs, congratulations from league officials, and questioning by a *Seattle Times* reporter, said "I'd just as soon be the 3001st and let someone else have this publicity!" Membership chairman A. J. Quigley commented, "This is only the beginning." Since the Seattle Municipal League's reorganization in 1938, its membership has grown from 345 to the present 3000. C. A. Crosser is executive secretary of the organization.

War Via the Courts on "Lulus" and Vote Frauds

Protesting the payment of "lulus"—payments in lieu—to New York state legislators, Abbett Pulliam, executive vice president of **Governmental Research, Inc., of New York State**, has brought suit against Frank C. Moore, state comptroller, asking that he be restrained from making any further payments of this kind. In his complaint Mr. Pulliam cites the receipt of large sums of money by legislative leaders and committee chairmen, in addition to the salaries prescribed by the constitution, in lieu of "expenses." He points out that these sums, while theoretically for secretarial and clerical help, are actually taxed as income by both the state and federal governments and are recognized as salary in the records of the State Retirement System. In other words, such "lulu" items "are treated as and are actually additional compensation" despite the limitations prescribed by the constitution.

Another organization using the courts in its efforts to secure honest government is the **Citizens Union of New York City**, George H. Hallett, Jr., secretary. The union has brought suit on behalf of a former assemblyman, John J. Lamula, to void the Republican and American Labor party primary results in the second assembly district of Manhattan. It makes specific charges of "widespread impersonation, casting of ballots on behalf of voters by election officials, conduct of the polls and the count by persons other than officials, changes in the count after it was made and announced, deliberate alteration and mutilation of ballots, and other glaring violations of the election law."

Citizens Work for Good Government

The **Chicago Public Affairs Council** is a new organization interested in community betterment. . . . A newly formed

Citizens Charter Committee in Santa Monica, California, is campaigning for adoption of a council-manager charter on the November 5 ballot. . . . The **Richmond Civic Association** is backing a proposal on the November 5 ballot to elect a commission to draft a new basic law for that city. . . . The **Missouri Public Expenditure Survey** reports that it has had sixteen recent requests from ten different Missouri cities for material on the council-manager form of government.

Legislative Report

In his "President's Message" for 1946, Sydney M. Williams, president of the **Massachusetts Civic League**, reports that "encouraging progress has been made during the year in securing the cooperation of additional statewide groups and organizations on legislation in which we were interested." Included with the message in the September issue of the *Lens* are reports from the league's committees on legislative and other activities. Covered are billboards, children's welfare, education, forms of government, lotteries, housing, public health, public service, public welfare, etc. Samuel Saumsiegle, chairman of the Research Committee on Special State Problems, a new group composed of veterans, college students and recent graduates, reports that his committee has held numerous meetings. It has presented a series of broadcasts dealing with veterans benefits "in an attempt to clarify the existing confusion."

Election Helps

Is Politics Your Job?, a 24-page leaflet by the **National League of Women Voters**, Anna Lord Strauss, president, should go far toward making voters more conscious of their tasks as citizens. It sells for ten cents per copy.

The **Illinois League of Women Voters**

(Chicago), Mrs. Walter T. Fisher, president, has published a 194-page *Illinois Voter's Handbook 1946* (50 cents. The volume, prepared by Helen Kingsley McNamara, represents an extensive revision of earlier handbooks. Incidentally, the Illinois league has set for itself a goal of a thousand new members this fall.

Women in Government

In order to stimulate interest in the preparation of women for careers in government, the **New York League of Business and Professional Women** is sponsoring an annual fellowship at the Maxwell Graduate School of Citizenship and Public Affairs at Syracuse University. The fellowship is designed to prepare a qualified woman from New York for a career in civic administration and community research.

Strictly Personal

The Citizens League of Cleveland has announced the appointment of **Colonel Robert W. Chamberlin** as its director and **Robert D. Fleischer** as assistant director. Colonel Chamberlin resigned as assistant safety director of Cleveland in 1940 to enter the army, where, in 1944, he was made a member of the United States Group Control Council in Germany, later becoming deputy director of public safety in the U. S. German Zone. Mr. Fleischer, previous to entering the army, was on the staff of the Detroit Bureau of Governmental Research. Immediately prior to his appointment to the Cleveland League he was management analyst and records administrator with the Office of the Quartermaster General.

The Long Beach, New York, Citizens Union, has announced the selection of **David Krotman** as a member of its Board of Directors to fill the unexpired term of the late Albert Cohen.

Proportional Representation

Edited by George H. Hallett, Jr.
and Wm. Redin Woodward

(This department is successor to the Proportional Representation Review)

French Revise P. R. Electoral Law

Voters May Now Select Candidates They Prefer

A NEW electoral law for France, published October 8, includes an important modification of the list system of proportional representation used in that country for the constituent assembly elections of October 1945 and June 1946. The law permits the voter to choose his order of preference among the candidates for whom he votes instead of being bound by the order determined by the party.

Under the modified law, which will be used in the November 10 election of the first parliament under the newly adopted constitution, the order of preference established by the parties nominating lists of candidates is merely the order to be applied in the case of ballots carrying no indications to the contrary. The voter may, by marking numbers on the ballot to indicate his order of choice, revise either entirely or in part the order initially selected by the party.

The new arrangement does not go so far as to permit the voter to indicate a series of preferences crossing party lines as he may under the Hare system, though the use of numbered choices within the list is a significant approach to the freedom of the better proportional system used in English-speaking countries.

An attempt to modify the electoral law to permit award of seats on the basis of a combination of "remainder votes"—adding together the votes of each party which are not used in the

election of any candidate within the district to make up quotas over a larger area—was rejected. In this respect the electoral law remains essentially the same as that which was in effect for the two earlier elections.

'P. R. in a Nutshell'

A new booklet entitled *Proportional Representation in a Nutshell*, by Mrs. Jeanne F. Young, has been published in Adelaide, Australia.¹ It is dedicated to the memory of Catherine Helen Spence, the "pioneer of the movement for electoral justice in South Australia," and includes a foreword by E. J. Craigie, long an active worker for proportional representation in that country and former member of the provincial legislature.

The pamphlet describes the basic principles of proportional representation and includes an account of experience with the system and some examples of the faulty operation of the single-member district and block-vote systems. There is a good deal of interesting information about the experience with various electoral systems in Australia.

The booklet is concerned almost entirely with the single transferable vote method—Hare system—which, as Mrs. Young points out, has a certain superiority over the list systems used on the European continent, and is the only system of proportional representation seriously advocated in English-speaking countries. The subject is competently

¹Proportional Representation Group of South Australia, 55 King William Street, Adelaide, 52 pages, two shillings and six pence.

explained in simple language, and the only important error seems to be the statement that the system of distributing surplus votes by counting subsequent choices at appropriate fractional values is universally used. A reference to the American counts in connection with this phase of the subject would have been appropriate.

Mrs. Young's booklet reveals that the recount method of filling vacancies described in this department for September and used in Yonkers and Long Beach is also used in Tasmania, where P.R. has been in use in the state government since 1907. It also includes an impressive list of local and private associations utilizing P.R. for elections.

The history of the Australian movement for P.R. and the various political situations with which it has had to deal are interestingly, if briefly, mentioned. It is clear from this account that the movement has cut across party lines and has succeeded in enlisting a certain amount of support in all of the major parties. This dispersal of support for the reform has been at once the fundamental strength and a tactical weakness of the movement. In the long run the former should prove to be more important.

No Third Alternative on Toledo Ballot

An attempt to place another plan on the November 5 ballot in Toledo, as a further alternative to the retention of P.R. and the manager plan or reversion to the previously used single-member-district council and mayor system failed when the city council, on September 12, refused to make the necessary suspension of the rules.

The alternative plan proposed was for a small council elected at large (block vote), an elected mayor and an elected auditor, with provision for retention of the city manager. This plan

resembles that voted down at a referendum last year. The proceedings, which for a while seemed to indicate a presentation of this further alternative, showed a certain divergence of opinion and indecision among the opponents of P.R.

In line with arguments previously advanced, this divergence among P.R. opponents on the council will probably be blamed on P.R. itself. Presumably after its abolition one or the other camp would be denied representation, for otherwise the alleged evil of indecision (read: deliberation) in the city government would hardly be alleviated.

Swedish Provincial and Municipal Elections Held

On September 15 provincial and municipal elections throughout Sweden were conducted under a list system of proportional representation. The P.R. system has been in effect for all elections in that country—national, provincial and local—since 1909. No figures on votes cast are available at the present time in this country.

Program for Annual P. R. Meeting

As announced in this department in October, the annual meeting of the Proportional Representation League will be held November 13 at the Bellevue-Stratford Hotel, Philadelphia. The session will be held in connection with the 50th anniversary National Conference on Government of the National Municipal League, with which the P. R. League is now merged.

Oxie Reichler, editor of the Yonkers, New York, *Herald Statesman*, will speak on "The Politician Hates P. R." Robert E. Garrigan, executive director of the Chicago South Side Planning Board, will describe the first Hare system election in Italy—in the little town of Atri. Dr. James K. Pollock of the University

of Michigan will talk on the use of P.R. in the U. S. Zone in Germany. George A. McLaughlin, president of the Cambridge Civic Association, will discuss the use of Plan E (proportional representation and the manager plan) in Cambridge and Lowell and the possibility of its extension to Boston and to Massachusetts towns. George H. Hallett, Jr., executive secretary of the P. R. League and secretary of the New York Citizens Union will report on recent developments.

Participants in the discussion to follow addresses will include C. G. Hoag, honorary secretary of the P. R. League; Walter J. Millard, its field secretary; Rev. Edward Dowling, S.J., *The Queen's Work*, St. Louis; Charles H. Woodward of Philadelphia; Wm. Redin Woodward of New York; Stanley H. Renton, Charter League of New Rochelle; and Mrs. Guy A. Tawney of Urbana, Illinois.

A New England Pioneer

An invitation to take part in the P.R. session of the National Municipal League's forthcoming National Conference on Government in Philadelphia brought word of the untimely death a few months ago of Christopher M. Gallup of North Stonington, Connecticut.

Back in 1921, long before there was any talk of "Plan E" in Massachusetts or any thought of the imminent adoption of P.R. in Cincinnati or New York, the suburban community of West Hartford, Connecticut, did some significant pioneering. Mr. Gallup was then president of the West Hartford Chamber of Commerce and furnished the active leadership for the enterprise.

The town got permission from the state legislature to install a manager plan and to adopt its own method of

electing the town council which was to choose the manager. The Hare system of P.R., then in use in this country in only three cities, was tried for the first election and then adopted for future elections on the basis of a satisfactory experience. A second P.R. election was held in 1922. But the system worked too well. The fortunes of the town prospered, but those of the local organization took a tailspin.

The new plan began to be discussed elsewhere in the state. As Mr. Gallup put it, "The state Republican machine had come to regard the Hare ballot as a sort of infection that was likely to spread and upset things generally."

So with much secrecy the Republican legislature passed a bill to prohibit the use of P.R. for elections anywhere in the state. West Hartford protested officially, but to no avail. The law is still on the statute books, but in 1939 the legislature gave the city of Waterbury permission to vote on the adoption of a P.R.-manager charter. With this precedent there is no presumption that any Connecticut community which wants to use P.R. will now be prevented from doing so.

Mr. Gallup continued his active interest in the plan. He was a member of the national advisory council of the P.R. League, now functioning as a department of the National Municipal League, for many years until the time of his death. In recent years he devoted time and effort, as an alumnus of Yale University, to advocating the use of P.R. for alumni elections.

Christopher Gallup will be missed, not only as a devoted proportionalist, but as a man of unusual initiative and originality whose friendship was an inspiration to those who knew him.

G.H.H.

County Studies Make Recommendations

Seek Coordination of Local Services

HENRY County, Indiana, one of the four "typical" counties chosen as a testing ground to observe and improve the operation of intergovernmental relationships, has issued an interim report on the activities of its Council on Intergovernmental Relations, *Adventure in Governmental Gearing* (48 pages).

A similar report by Blue Earth County, Minnesota, was issued last year,¹ but Colquitt County, Georgia, has not yet reported. The fourth of the group, Santa Clara County, California, was approved for study in January 1946 and has not as yet had an opportunity to prepare a report. The studies of the four counties are being financed by the Spelman Fund.

The Henry County report is liberally illustrated with graphs and amusing cartoons depicting the governmental problems of the area. Attractive style and typography lend it interest and readability. Ten recommendations are made:

1. The stature of local government should be raised by removal of restrictive local laws enacted by the state legislature.
2. The state universities and state agencies should provide more consultative and advisory services, conferences and short courses for local government officials.
3. New methods of revenue-sharing

should be devised as a substitute for centralization.

4. All county ordinance-making duties should be transferred from the county commissioners to the county council.

5. The property tax system should be improved through state technical assistance, reform of assessment procedure, consolidation in licensing and tax collection machinery, more checks and penalties to insure payment, reduction of time between assessment and collection, and installation of modern tax accounting.

6. State and federal governments should assist local government on request only.

7. All services of a kind should be rendered by one agency only in any community.

8. The cooperative machinery should include a local coordinating committee, district and state administrative councils, the principle of rotation of administrative employees among them, and adoption of the practice of removing government employees not "acceptable" to the community.

9. "The farther removed the administration from the point of service, the fewer and simpler should be the controls exerted."

10. The "teamwork organizer" for the federal, state and local governments should be the county planning commission. In this lies the very core of the success of the plan.

Wisconsin Study

The Wisconsin Citizens Public Expenditures Survey has issued a report, *County Government in Wisconsin* (43 pages), in which it sets forth its findings and recommendations. Recommendations include:

1. The establishment of a county finance officer for each county;

¹See the REVIEW, February 1946, page 90.

2. Adoption of centralized purchasing;

3. Abolition of administrative boards and transfer of their functions to the county commissioners;

4. Consolidation of all county welfare activities;

5. The placing of all traffic control functions under jurisdiction of the sheriff;

6. Abolition of the fee system as a method of compensation;

7. Reduction of the number and size of committees in the county board;

8. Permission granted to adopt alternative methods of county board representation, such as election at large under a system of proportional representation.

Knoxville-Knox County Library Program Outlined

The recent interruption of library service in Knox County, Tennessee, resulting from court action holding illegal the allocation of tax funds collected on city property for county services outside the city, has provided the occasion for re-examining city-county relationships in the library field. A study entitled *Knoxville-Knox County Relationships in the Field of Library Service* has been released by the Board of Library Trustees of Knoxville. This study reviews the history of library service in Knoxville and Knox County and sets forth alternative proposals for continuing and strengthening the service in this area.

Knox County has been receiving library service from the city of Knoxville since 1929. For this, the county pays to the city an amount agreed upon annually; the payment has amounted to \$15,000 each year since 1938. On the other hand, the city of Knoxville appropriated \$85,000 for library service during the fiscal year ending December 31, 1945. City inhabitants have been

bearing an undue share of the cost of providing library service. According to the report, the county's contribution amounts to approximately 22 cents per capita as compared with about 57 cents per capita for the city.

The report offers three possible methods for providing the city and county with adequate library service:

1. Knoxville would continue to provide service to the county under contract as in the past. The county, however, would be required to increase its contribution to equal at least the equivalent of a one-mill county library levy.

2. A second method of providing library service would be for each unit to maintain its own library service. The report does not favor this method, however. While such action would present no financial or administrative problems for the city, it would result in greatly increased unit costs for the county and, together with the initial expense of setting up the service, might result in the discontinuance of county library service altogether.

3. The third plan outlined in the report would make the county the basic unit for providing library service to both urban and rural areas. Under this plan the city would withdraw its support, thus placing full responsibility for county-wide library service on the county. The city could, however, supplement the county service if necessary. Among the advantages accruing to a county-wide system, the report lists lower unit costs, simplification of administrative problems, more adequate financing, and a more comparable service for city and county residents.

The report recognizes the difficulties of obtaining a county-wide system of library service at this time but recommends that the plan be subject to "further investigation and study by a joint committee comprised of members representing the city and the county li-

brary boards and legislative bodies."

Finally, the report itself provides an outstanding example of intergovernmental cooperation. The report was issued by the Board of Library Trustees of the city of Knoxville. It was prepared for the board by the planning commissions of Knoxville and Knox County with the technical assistance of the Tennessee State Planning Commission and the Tennessee Valley Authority.

M. H. SATTERFIELD

Tennessee Valley Authority

Wisconsin Considers County Finance Officers

The Wisconsin State Legislative Interim Committee is giving extensive consideration to a proposal to establish county finance officers throughout the state. Such officers would integrate all control in the handling of public funds and would operate under the direct supervision of the county board. They would be modeled in part after the office of auditor of Milwaukee County.

Much County Highway Activity in Prospect

A survey of counties in eight states conducted by the editors of *Better Roads* led them to conclude that unprecedented activity for county highway departments was in prospect for the near future. They recognized that the process of "reconversion" was much slower than that anticipated a year ago, and that labor and materials were scarce, costs had risen, and equipment and repair parts were difficult to obtain. They believe the unprecedented activity will result from highway deterioration caused by wartime abnormal conditions, the vast amount of deferred work, accumulation of plans and funds, and the effect of the federal-aid secondary program.

The states containing the counties

which reported on highway conditions include New York, Ohio, Michigan, Wisconsin, Texas, Kansas, Iowa and New Jersey.

Committee Will Draft Fulton County Manager Law

In consequence of the overwhelming vote in favor of a manager plan for Fulton County, Georgia, a committee has been appointed to draft a bill for introduction in the state legislature. The Atlanta League of Women Voters is in the forefront of organizations planning to present the basic principles of county manager organization to the voters in order to secure the best possible law.

Oregon Counties Seek More Federal Forest Revenue

The Association of Oregon Counties is pressing for the adoption of a law now pending in the U. S. Senate which would increase the payments made by the federal government to counties in lieu of taxes on federally-owned forests. Under existing law local governments receive 25 per cent of the gross revenue from national forests, but the counties desire an annual payment equivalent to 2 per cent of the appraised value of the forest lands. They emphasize the need for stabilized revenues to replace the fluctuating payments resulting from changing forestry practices and lumber prices from year to year.

Pennsylvania County Zones Townships

The Planning and Zoning Commission of Beaver County, Pennsylvania, has entered into an agreement with three townships to prepare zoning plans for them. Such plans would then be placed before the county commissioners for final adoption. It is expected that other townships of the county will request that the same service be performed for them.

Taxation and Finance*Edited by Wade S. Smith*

California Cities Ask State to Assess Property

Seek Amendment to Provide for Agency to Handle Task

PREPARATION of a constitutional amendment to place responsibility for the assessment of all real and personal property in a state agency, to assure statewide equalization of assessed valuations, was urged by the League of California Cities at its annual conference at San Diego in September.

The league adopted a resolution directing its board of directors to have prepared and submitted an amendment which would require a state agency concerned solely with tax matters to make the assessment within areas for each of which there would be a full-time assessment staff. Members of the staff should be appointed on the basis of merit and if possible reside in the areas in which such staff members serve. The amendment would reserve to the governing bodies of the cities, counties and districts the right of appeal or protest from assessments deemed inequitable, and would also make provision for the readjustment of local tax rate limits in those instances where the present basis of assessment is at a higher ratio than the ratio which might be used after re-assessment by the state.

At present the assessment of property in California is primarily the responsibility of the counties, which assess all local property except so-called public utility operative property, for which valuations are determined by the state. The county's assessment is used in levying taxes for county, school district and special district purposes.

Cities, however, assess property for city tax purposes, although under the statutes permitting intergovernmental service by contract a number of cities—including Los Angeles, the largest in the state—use the county assessment and have the county collect city as well as other local taxes.

California cities apparently contemplate that the assessment areas under state jurisdiction would coincide with the counties, except in the case of some of the smaller counties. These might require consolidation for assessing purposes into areas sufficiently large to justify the maintenance of trained personnel. Benefits sought include the immediate rectification of inequalities between different types of property and between different areas as well as the increased efficiency which would result from a uniformly high standard of assessment technique through the state.

In deciding to sponsor a constitutional amendment the cities indicate also a belief that the case for additional municipal revenues cannot be consistently supported so long as it is possible to point to individual properties or types of property under-assessed and hence not contributing their full share to the local revenue system. They point out that no problem of home rule is at issue, since home rule is concerned with the local determination of policy and assessment is a technical and procedural rather than a policy matter. They also emphasize that it is not their purpose to increase property taxes by trying to base assessments on present day inflated prices.

Tax-Delinquency Delays Housing

Indication that tax delinquency is proving an impediment to execution of

mass housing programs is contained in an announcement made recently by Charles S. Ascher, regional expeditor for the National Housing Administration.

Announcing the results of a survey made in fourteen areas in New York, New Jersey, Pennsylvania, Delaware and Maryland, Mr. Ascher urged that communities foreclose on tax delinquent land and sell it to veterans and builders. He urged surveys to locate tax delinquent property and study of the feasibility of making this land available for both housing projects and the construction of small homes. In many cases the land acquired by tax sale would be located where public service facilities were already available, cutting down the need for installation of utilities.

Pay-As-You-Go for White Plains

White Plains, New York, county seat of wealthy Westchester County, adopted a local law in September committing the city to adherence to a pay-as-you-go plan of financing future capital improvements, according to press reports.

Service on outstanding city bonds accounts for more than one million dollars, nearly a fourth of the proposed 1947 budget. If the city carries out its proposal to finance future improvements from current revenues, it will pay the last of its outstanding water bonds in 1961, the last of the general improvement bonds in 1963, and the last school bonds in 1967.

More Cities Make Charges for Garbage Collection

New service charges are a major single source of increased municipal revenues, and a number of cities are imposing charges for waste collection. Dallas, Texas, expects to raise more

than \$1,500,000 annually by putting its city garbage collection service on a fee basis beginning October 1. The fee has been set tentatively at 75 cents per month for each household.

Virginia, Minnesota, and Wheeling, West Virginia, recently began charging garbage collection fees of 50 cents a month for residences and Virginia charges \$1 per month for business establishments.

St. Paul, Minnesota, will put a new garbage and rubbish collection system into effect next spring, to be financed through service charges of 75 cents per month for single family dwellings. Kent, Washington, has adopted a compulsory garbage collection system operated through private contractors and financed through a service charge collected by the city.

Houston Cab License Voided by Courts

Because of a recent decision by the Texas Supreme Court, taxicab operators in that state are no longer charged a city license fee. The decision involved a Houston ordinance charging a fee which ranged up to \$60 per vehicle. The court held that although Texas cities clearly have the power to license cabs, they do not have authority to charge fees for such licenses since taxis are already subject to the state motor vehicle license fee.

Houston charged cab operators \$60 per vehicle annually for taxi licenses, a fee above average for major cities in the United States, according to a survey made for the Syracuse, New York, city council. Among the 56 cities of more than 100,000 population surveyed, the taxi license fee of \$125 in Columbus, Ohio, is the highest.

Only six cities in the surveyed group charge license fees of \$50 or more. Camden, New Jersey, and Memphis, Tennessee, both charge a fee of \$75

annually for taxi licenses, while Chicago charges \$60 per cab. Seattle and Detroit charge \$50 a year for taxicab licenses.

Lowell, Massachusetts, is the only city surveyed other than the Texas municipalities where no license fee is charged for taxis. Eight other cities in the groups of 56 charge a fee of less than \$10. Taxis in Connecticut and Rhode Island are subject to state rather than city regulation.

The number of cabs in operation is regulated in 35 of the 56 cities. Almost without exception, as many taxi permits for 1946 have been issued as are permitted. Baltimore has issued its entire quota of 1,000 licenses this year, or one for every 859 residents. Minneapolis has issued 214 licenses, or one for every 2,300 residents.

A new Toledo, Ohio, ordinance gives authority to regulate the number of taxis to a three-man taxicab board composed of the directors of city law, welfare, and public service. Heretofore the number of taxis in Toledo was not subject to limitation. Among cities without taxi quotas, Washington, D. C., has the most cabs per population unit, with one for every 98 residents.

At least fifteen of the cities surveyed require that fare meters be installed in all taxis. Highest cab fare rate reported is in Tacoma, Washington, where passengers pay 40 cents for the first one-quarter mile plus ten cents for each additional one-third mile. Lowest cab fare rate reported was in Chicago, where twenty cents is charged for the first one-third mile plus ten cents for each additional two-thirds mile.

Local Borrowing Costs Rise

Local governments are paying more for their borrowed money this fall than they did last spring and summer, but

the increased cost is small compared to the inflated prices governments and the rest of us are paying for commodities and services. In fact, net interest costs now compare favorably with pre-1946 costs, and are still below the averages for 1944 and earlier years.

The trend is shown by *The Bond Buyer's* index of municipal bond yields, which transposes varying dollar prices for numerous bond issues of different interest rates and maturities to a "yield" or "net interest cost" basis. *The Bond Buyer's* index for twenty representative bonds reached its lowest point (representing highest bond "prices") last spring, when the yield was 1.29 per cent. It rose gradually through the summer, and by August 1 was up to 1.51 per cent. Increasing "stickiness" of high priced new issues, the customary end-of-summer slowness in the municipal market, and the September break in the stock market combined to raise the index to 1.73 per cent by the end of September, and it stood unchanged at the same point the end of the first week in October.

The twenty-bond index rise from 1.29 to 1.73 represented an increase of .44 basis point or approximately one-third in net interest cost. The early October index, however, was only slightly above the October 1, 1945, yield of 1.72 per cent and was bettered in only one of the 36 months preceding 1944. Moreover, it compared most favorably with the all-time high yield of 5.69 per cent established May 1, 1933.

While local units which marketed large issues of postwar improvement bonds in the earlier months of the year may well congratulate themselves on their foresight—especially when the marketing was well planned and managed to take full advantage of prevailing high prices—it must be noted in fairness to bond dealers that many of these high priced flotations of the late

spring and summer were unsuccessful when the bonds were re-offered at retail to the investing public. The bull market in municipals resulting from their attractiveness as a "tax haven" during the war was slowly drying up, partly because of saturation and partly because the reduction in income tax rates, thought slight, was sufficient to make municipal yields to large taxpayers considerably less attractive. The institutional buyers—insurance companies, trust companies, savings banks, and the like—who normally constituted the market for the bulk of municipals—could not afford to buy high priced bonds. Consequently, there was a conspicuous number of cases of top quality bonds and a larger number of good bonds which were moved off dealers' shelves only after original offering prices were shaded downward.

Some further lowering in prices and increases in yields (net borrowing costs) are prospective, as materials and labor become more readily available and a larger volume of municipal bonds is marketed. For the first nine months of 1946, *The Bond Buyer* reports, state and municipal voters approved bond issues totaling \$839,115,000. In the comparable 1945 period, issues aggregating \$327,009,000 were approved. May and June were the top months this year, authorizations in the two-month period totaling nearly \$518,000,000. It is not yet possible to estimate the total likely to be submitted to voters at the November election, but it is expected to exceed considerably the November 1945 figure, when approvals totaled \$214,777,000.

All in all, it is evident that the supply of municipals is slated to increase in the coming months, but though net interest costs to the borrowing cities, counties, school and other districts rise they will probably remain much below levels of even a few years ago.

Maryland Revenue Commission Reports

The Commission on the Distribution of Tax Revenues, appointed last year by Governor O'Connor, published its recommendations on October 2. They are designed to produce a more equitable distribution of state revenues to Baltimore City and the counties of Maryland.

If put into effect, Baltimore City's share of state funds should be increased by about \$6,400,000 and that for counties and their incorporated towns by \$6,200,000.

The commission made the following recommendations in order to correct clear inequities in the present situation and to meet what seem to be the requirements of the near future:

1. Every political subdivision in the state should be required by state law to adopt a uniform system of accounts. A commission should be created to set up such a system and to carry it into effect. Every subdivision should be required to adopt either the calendar year or July 1 to June 30 as its fiscal year.

2. Annual sessions of the General Assembly should be provided to consider the state budget on a yearly basis.

3. A fiscal research bureau should be set up within the State Tax Commission to study constantly the revenues and expenditures of the political subdivisions and their fiscal relationships with the state.

4. The political subdivisions, uniformly, should be given a limited first call on the income tax paid by their individual residents to the state, expressed in terms of percentage of income rather than percentage of tax. This percentage of income should be, for the near term future, $1\frac{1}{2}$ per cent of investment income and .625 per cent of ordinary income. Above these amounts the state can increase or de-

crease the rates of the income tax solely from the point of view of state needs.

5. As to racing, the tax on net revenue on all tracks should be abolished. The daily license fees on mile tracks should be reduced to \$1,000 per day. The tax on the pari-mutuel pool for all tracks should be increased to 4 per cent, the total "take" to remain as at present at 10 per cent. Breakage from the mile tracks should continue to go to the state, but should be retained by the half-mile tracks.

All tax revenue received from the mile tracks should be allocated one-half to the state and the remaining half to the counties, incorporated towns and Baltimore City on the basis of population according to the latest available Federal census. Tax revenues from the half-mile tracks should be allocated one-half to the state, one-fourth to the counties, incorporated towns and Baltimore City, in the same manner as revenues from the mile tracks, and one-fourth to the Maryland State Fair Board for the promotion of state and county agricultural fairs and exhibits. The additional license fee of \$3,000 daily paid by Pimlico and allocated to Baltimore County should be abolished.

6. With respect to highway user taxes, if the General Assembly in the near future authorizes issuance of additional bonds of the State Roads Commission, the entire cost of servicing such additional debt should be financed entirely by increases in motor vehicle fees or in the gasoline tax, or both. Baltimore City's participation in the highway user funds should be made a uniform 30 per cent.

7. All funds for education should be allocated to the counties and Baltimore City through two funds: (1) \$400 per classroom unit per year, and (2) \$20 per pupil in attendance per year. The equalization fund should be continued

and two incentive funds should be established on a matching basis, one for increasing salaries of school teachers, the other to provide better school facilities.

8. Net proceeds of the tax on admissions should be allocated to the political subdivision in which the licensed activity is conducted.

9. Net proceeds received from all licenses local in nature should be allocated to the political subdivision in which the licensed activity is conducted.

10. Proceeds of the tax on the recording of instruments relating to real or personal property, with one minor exception, should be paid to the subdivision in which the tax is collected.

D. BENTON BISER, *Director*
Baltimore Commission on Governmental
Efficiency and Economy

End of Tax Discounts Urged in Seattle

Officials of King County, Washington, which collects property taxes for Seattle and other local units, are seeking to abolish the statutory discount of 3 per cent now granted taxpayers for prompt payment of taxes. The county must pay local units their pro rata share of collections based on the taxes before deduction of the discount. This procedure has been costing the county from \$300,000 to \$500,000 annually over the last decade.

Washington is one of the few states granting discounts for payment of taxes when due, and the county commission has recently instructed the county attorney's office to frame legislation for submission to the 1947 legislature designed to end the practice, according to the Seattle Municipal League. The discounts bear with particular weight on the county inasmuch as there is in effect in Washington a 40-mill over-all tax rate limit, of which the county receives only 10 mills.

Local Affairs Abroad . . . Edited by Edward W. Weidner

Local Government Finance Probed

New South Wales Sessions Discuss Expenditure Needs

THE problem of local government finance is a paramount one in all countries at present. Exemplifying this was the New South Wales Local Government Summer School, attended by members of local authorities, which had as its topic local government finance.¹

The school was opened by the Minister for Works and Local Government, who outlined the policy of the New South Wales government on local finance. He held out little hope of the extra financial assistance which local government says it needs. He commented:

"It is inevitable that if a government contributes towards local expenditure it will have some say in the method of expending that money, and it is through the grants-in-aid which the British government makes that it secures such close control of local government administration in England. I would regret to see such direction and control in New South Wales, and the way to avoid it is for councils to become as self-reliant as possible, and councils can retain their independence and self-reliance if better use is made of existing financial resources. There is too great a tendency to seek government assistance for works and services well within the compass of the local authority if the finances are administered with vision."

The minister was most emphatic in

stating that local authorities should pay for more services out of loan money. "There is nothing more reproductive than well planned and executed loan programs," he said. "They provide works and services which would not otherwise be possible, but despite these well known truths councils come and ask for assistance and give as one of the reasons why they are entitled to special consideration that they are prudent in their administration, as evidenced by the fact that they have no loan debts." The minister spoke of a "no-borrowing complex," and suggested that all councils, despite the claims of many of them that their revenue was insufficient, had not wisely used their existing resources, especially their borrowing powers.

The minister saw no reason why any statutory limit should be placed on the rates levied by either shires or municipalities; the present system allowed the "inactive and ultra-conservative council" to shelter behind the statutory rating limit "when requests were made for works and services fully justified in the interests of the local community and which could be provided from local resources without financial embarrassment."

He rejected the suggestion, often made, that local authorities should be allowed to make profits from their trading undertakings, on the grounds that "the progress of the state would be retarded by reason of the high costs of services which use gas and electricity" and that the landowner in one area would be "subsidized by the electricity consumer because the council of that area was the supply authority."

A lecturer in the Department of Tutorial Classes at the University of Sydney described the changed financial

¹See "Local Government Finance," *Public Administration* (Australia), June 1946.

relations between the commonwealth and the states and their probable effects upon the finance of local government. The commonwealth would in future supervise the raising of loans for all purposes throughout Australia, and would be able, through uniform taxation, to decide what extra assistance local government might receive from grants. The commonwealth's power could well be used to insure high employment, "but unless the commonwealth is prepared to take the state and local authorities into its confidence, and treat them as partners rather than subordinates, it will certainly not be able to achieve its long-run purpose—a smoothly running economy, although it may temporarily achieve its short-run purpose—the actual exercise of control."

He showed the considerable differences between councils revealed by comparisons of the average amount of unimproved capital value per capita population, and the average amount of rates spent per capita. He suggested that these comparisons showed the weakness of the present statutory upper rating limit.

Possible Aids

With a warning that it was dangerous and misleading to apply overseas solutions to Australian problems, without allowing for differences in conditions, the lecturer described various financial devices either adopted or suggested overseas to meet the revenue needs of local government. Among these were the English block grant, grants-in-aid, the "national rate," local or regional income taxes and excise duties, and profits from trading ventures. Finally, he suggested that the rating system should remain, helped out where necessary by statutory grants, because "the abolition of local rating would remove from councils the last measure of that personal and local responsibility which

is the very being of local government; without local interest there is no excuse for local government at all."

Another speaker concluded that councils in New South Wales were not so heavily burdened financially as those in certain other states, particularly those in Queensland; that a fair comparison between rating levels in various states could be made only when the amount of state land taxation (of which there is none in New South Wales) was added to the total of rates; that most councils in New South Wales were still some distance below their rating limits, and some were even below 50 per cent of their limits; and that, in comparison with certain other countries, local government in New South Wales and in Australia generally had much less responsibility and much less finance at its command.

One observer suggested that council auditors should be appointed by the minister, on the advice of the auditor-general rather than by councils themselves; that auditors should be empowered to report on the office administration of councils; and that local government and the state should jointly build up a financial "pool" over the years, the money to be made available to county councils for "semi-national works," at low rates of interest.

During the discussion it was apparent that most councils were unwilling to accept new responsibilities unless they were assured of new sources of revenue. But it was apparent also that there were wide differences of opinion between the representatives of various councils as to what these sources should be. Some wanted increased rates; some wanted more generous grants from the state; others pinned their faith on a wider use of overdrafts; others suggested profits from trading undertakings. A few felt that problems of area, rather than of finance alone,

required attention. Most condemned the state government's action in exempting so much of its own and other property from the payment of rates. There was some realization of the implications of the commonwealth's new financial policy, but little apparent understanding of how that policy might be used to work in local government's favor. One observer at least felt that the phrase "parish-pump," though hackneyed, could well be applied still to the views on finance of a number of councils.

Vote on Taxing Method

Provision has been made in the Local Government Act of Victoria for 10 per cent of the ratepayers of a municipality to demand that a poll be taken on the question of whether the municipal rates should be levied on the annual rental system or the improved capital system of valuation.

Of 197 municipalities in the state, only 15 have at the present time adopted the system of rating on improved values. Polls will be taken in seven municipalities this year as a result of demands by ratepayers to decide whether the municipal rating system will be so changed.

Central Borrowing Recommended

The Mayor of Brisbane told the city council recently that he believed that, instead of local authorities competing on the loan market, all money for government and semi-government bodies should be raised by the commonwealth.

He said that proposed works had to receive commonwealth approval and, before money to carry out the works could be borrowed, the loan also needed commonwealth approval. He thought the commonwealth could complete the job and raise the money in one lot and make it available to local authorities.

English Local Finance Probed

The Fabian Society's latest contribution to the study of local government is *The Reform of Local Government Finance in England and Wales*, by Michael Fogarty (Fabian Publications, Research Series No. 111).

This study is a competent analysis of the urgent problem of reform in local government finance—"the problem of insuring that local authorities achieve and maintain a substantial measure of financial independence." Postulating as essential to the survival of local democracy that local authorities must have at least one large independent source of revenue at their disposal, that as a general rule they must pay a substantial part of their marginal costs from their own resources, and that all citizens or at least the majority of them should contribute towards local taxation, the author prescribes three conditions for "the right local taxes." They should be easy to assess and collect; they should be assessed on a scale which will permit raising or lowering at local discretion without embarrassing national finances; and they should be equitable in their distribution, not only in themselves but in relation to the incidence of national taxation. Yet local taxation is likely to remain a choice of evils, and the problem one of determining which of the various possibilities is likely to prove least unsatisfactory.

Mr. Fogarty subscribes to the general view that the main solution to the problem lies in the revision of the grant system, especially the block grant which, he thinks, should be used to level up disparities in rate poundages. The valuation problem can be solved, and the plan put forward by the author contains a novel suggestion which is worthy of close examination, viz., that a single standard valuation be adopted for all small houses in each district.

Books in Review

For Us the Living. An Approach to Civic Education. By John J. Mahoney. New York, Harper & Brothers, 1945. viii, 344 pp. \$3.

The great object of this book is nothing less than the preservation of the republic and the salvation of the way of democracy which the author finds to be "one and the same" with the way of religion. The book is a blueprint for getting on with the "unfinished work" of "education calculated to perpetuate and improve the workings of that democracy which some thousands of Americans have died to defend in two world wars."

There could be no more important subject for an American educator at this juncture. And it would be hard to imagine a book more worthy of the magnitude of the subject. The book is the distilled wisdom resulting from 22 years of teaching teachers about civic education. It is, therefore, a mine of practical procedures for attaining specific objectives considered germane to the general objective of education for civic competence in a democracy: An adequate understanding of, and a whole-hearted allegiance to, the democratic way of life; an appreciation of the rights, privileges and protections which political democracy ensures; a keen interest in things political; the application of more intelligence in the conduct of political affairs; better political leadership; a citizenry that is more law-abiding; intergroup understanding, respect and good will; economic democracy; a translation of the teachings of religion into civic behavior.

Let it be emphasized, *this is an important book*. It is also an exciting book. It is eminently a book to be read, and then read some more and thought about and acted upon. The author fully appreciates that it is fruitless to talk

about civic education or education for democracy without a reasonably clear and comprehensive concept of the democracy for which we are educating. So he presents a carefully weighed definition: "Democracy is a kind of society in which free men, fraternally minded, voluntarily and persistently strive for the elimination of inequalities and exclusions (political, social and economic) to the end that all men may share equitably in the rights, privileges and satisfactions that our life in common affords."

It is natural, therefore, that Part II, almost two-thirds of the book, is "about democracy." Ten chapters analyze the content and necessary conditions of progress toward the comprehensive political, social and economic democracy envisaged by this definition.

This is a courageous book. Professor Mahoney does not balk at taking positions that are considered controversial, albeit he always takes his positions with courtesy and all due respect for respectable differences of opinion. For example, he holds that we must begin to educate for an economic democracy which "holds mid-place on the scale between capitalism of the 19th century brand (economic individualism) and communism—the two extremes"—a system which would involve a "wider and more equitable distribution of income" as well as "a larger place for the functions of the cooperative movement" and "more altruism, a higher standard of social ethics, less greed."

Professor Mahoney's position on this question, and on the even larger question of the relation between religion and democracy, is substantially that of the October 16 "Declaration on Economic Justice" issued by leaders of the Protestant, Jewish and Catholic faiths.

Professor Mahoney recognizes that it

will certainly be some time before all Americans of good will agree to work unreservedly for such ends. But, after all, isn't the clarification of our democratic goals and purposes which he seeks, painful as it is, one of the central problems of our time? How can American democracy educate its own and the other peoples of the world in its behalf until or unless it knows what it means? No one who has followed the recent discussion of price control can possibly believe that we are at all clear among ourselves about the implications of democracy in the economic sphere.

For Us the Living is sprinkled with wit as well as wisdom. It is also a hopeful book because the author obviously believes in the capacity of humans properly educated to conduct themselves in accordance with the democratic way. Moreover, he does not think that this has to be brought about to perfection over night. Doubtless he believes that in working together for progress in civic education we will arrive gradually at a closer agreement concerning fundamentals about which we are now greatly confused or divided. Certain it is that without such working together we will become more not less confused.

Finally it should be observed that this book is written entirely in English save for a few easy Latin phrases. In other words it does not have to be translated from the Pedigee in order to be understood by an ordinary literate American.

J. E. B.

Additional Books and Pamphlets

Education

Postwar Education in America. A Symposium by Seven Leading Edu-

cators. New York, Newsweek Educational Bureau, 1945. 36 pp.

Education for Public Administration

Educational Preparation for Public Administration. A list of colleges and universities offering programs of training. Chicago 37, Public Administration Clearing House, 1946. 19 pp. Ten cents each; \$3 per hundred.

Government Corporations

Governmental Use of the Corporate Device (second edition). By Freeland F. Penney. New York, Universal Books Co., 1946. 42 pp.

Hospitals

Measuring Your Community for a Hospital. A collection of articles from hospital and medical journals discussing how to determine the need for a hospital, its type and size, organization and responsibilities of the governing board and medical staff, and the necessity for competent architectural consultation in its planning and construction. Chicago 10, American Hospital Association, 1945. 96 pp.

Housing

Roofs or Ceilings? The Current Housing Problem. By Milton Friedman and George J. Stigler. Irvington-on-Hudson, New York, The Foundation for Economic Education, Inc., 1946. 22 pp. 25 cents (discounts on quantity orders).

Municipal Government

Handbook for Municipal Officials. By Walter R. Darby. Trenton, New Jersey Department of Taxation and Finance, Division of Local Government, 1945. 65 pp.

Planning

The City Is the People. By Henry S. Churchill. New York 18, Reynal & Hitchcock, Inc., 1945. 186 pp. Illus. \$3.

Financing Community Planning. By John D. Morrison. Address before Local Planning Institute, Escanaba, Michigan, 1946. 6 pp.

Government Center Plan. First Report—Civic Center Studies. Dayton, Ohio, City Plan Board, 1946. 39 pp.

Kingsport, Tennessee—The Planned Industrial City. (Second Edition.) By Kingsport Rotary Club. Kingsport, Tennessee, Kingsport Office Supply Company, 1946. xviii, 350 pp. Illus. \$2.

Organization and Operation of City Planning Activities in Philadelphia. By W. Clark Hanna. Philadelphia, City Planning Commission, 1946. 12 pp.

Planning Detroit 1945. The City Plan Commission of the City of Detroit Presents a Review of Its Work for the year 1945. Detroit, The City Plan Commission, 1946. 29 pp. Illus.

Planning St. Paul for Better Living. St. Paul, City Planning Board, 1946. 32 pp. Illus.

Police

The Organization and Practices of Police Women's Divisions in the United States. By Carol M. Williams. Detroit, National Training School of Public Service, 1946. 40 pp.

Recreation

Community Relations in Public Housing Project Areas. Containing a report on recreational and community facilities in New York City's public housing projects prepared by the Housing Committee of United Neighborhood Houses and highlights of a conference in February 1946 at which this report was discussed. Edited by Susan Jenkins. New York 16, United Neighborhood Houses of New York, Inc., 1946. 20 pp.

Proposed System of Recreational Facilities. City of Detroit—Master Plan. Detroit, City Plan Commission, 1946. 36 pp. Illus.

Refuse Disposal

Report on Waste Collection and Dis-

posal by Mayor's Committee. St. Louis, Department of Streets and Sewers, 1946. 23 pp. Illus.

Social Security

Retirement Plans for Public Employees. Containing an outline of the basic principles governing retirement planning for public employees. By Committee on Public Employee Retirement Administration. Chicago 37, Municipal Finance Officers Association of the United States and Canada, 1946. 36 pp. \$1.

Social Security Revision. Chicago 37, The Council of State Governments, 1946. 32 pp. \$1.

Taxation and Finance

Amusement Taxes. Chicago 37, Federation of Tax Administrators, 1946. 12 pp.

City Finances 1944. Cities having Populations over 25,000. (Volume 3. Statistical Compendium.) By Bureau of the Census. Washington 25, D. C., Superintendent of Documents, 1946. ix, 255 pp. 70 cents.

Some Views on Inflation and the Budget. New York 7, Tax Institute, 1946. 8 pp. 25 cents.

A Study of the Tax Burden in Ohio in Comparison with Other States. Columbus, State Department of Taxation, 1946. 21 pp.

Trade Outlets and Taxable Retail Sales in California. First Report on Self-Employment Study. Sacramento, State Reconstruction and Reemployment Commission, 1946. 20 pp.

Traffic Safety

The Public's Attitude on Traffic Safety. A Public Opinion Survey for the National Committee for Traffic Safety. Princeton, New Jersey, Opinion Research Corporation, 1946. 16 pp.